

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)
)
 of)
)
 HAWAIIAN BEACHES WATER)
 COMPANY, INC.)
)
 For review and approval of rate)
 increases; revised rate schedules.)
 _____)

Docket No. 2009-0161

PUBLIC UTILITIES
COMMISSION

2009 OCT 16 P 3:51

FILED

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES AND
SUPPLEMENTAL RESPONSES TO DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

AND

CERTIFICATE OF SERVICE

MORIHARA LAU & FONG LLP

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Attorneys for Applicant
HAWAIIAN BEACHES WATER COMPANY, INC.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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1 Confidential Supplemental Attachments CA-IR-12a (Parts A and B) are being submitted pursuant to an informal request received from the Consumer Advocate.

Portions of CA-IR-21 through 23 (containing the confidential text of the
respective information requests that were filed by the Consumer Advocate
pursuant and subject to said Protective Order)
Confidential Attachment CA-IR-21b
Confidential Attachment CA-IR-21c
Confidential Attachment CA-IR-21d
Portion of Response to CA-IR-23

The above-referenced confidential responses and attachments were prepared and/or provided by HBWC and its consultants in Hawaii or Arizona. Said confidential information requests, responses and attachments contain confidential research, development, commercial and financial information and/or other information that may be subject to non-disclosure pursuant to certain laws, rules and regulations. In addition, certain confidential responses and attachments contain personal and confidential information of HBWC's customers and employees and/or other information that would constitute a clearly unwarranted invasion of personal privacy, and may be subject to non-disclosure pursuant to certain laws, rules and regulations. Any misuse or the unpermitted disclosure of the information in said confidential information requests, responses and attachments may infringe upon certain privacy and proprietary rights and/or expose Applicant and/or its related entities to unfair competitive disadvantages and to certain liabilities.

DATED: Honolulu, Hawaii, October 16, 2009.



MICHAEL H. LAU
KRIS N. NAKAGAWA
SANDRA L. WILHIDE

Morihara Lau & Fong LLP
Attorneys for HAWAIIAN BEACHES WATER
COMPANY, INC.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

General Information Requests.

CA-IR-1 Ref: Application.

Please confirm that Hawaiian Beaches Water Company, Inc. ("HBWC") and its predecessor, Miller and Lieb Water Company, Inc. ("MLW"), have not paid any dividends during the past five years. If the Consumer Advocate's understanding is incorrect, please provide the amount and rate associated with any dividends paid by HBWC and/or MLW in the last five years.

RESPONSE: It is confirmed that no dividends were paid by either HBWC or MLW during the last five years.

SPONSOR: **Robert O'Brien**

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-2 **Ref: Application, Exhibit HBWC 2, Schedule 5, page 12.**

Please provide copies of the agreement and any amendments associated with the financial arrangement between Balonne Plains Pty, Ltd. and the Company as described on Exhibit HBWC 2, Schedule 5, page 12.

RESPONSE: See Attachment CA-IR-2.

SPONSOR: **Robert O'Brien**

ATTACHMENT
CA-IR-2

PROMISSORY NOTE
[Unsecured]

COPY

\$489,425.00

Maturity Date: October 1, 2020

Pahoa, Hawaii

September 1, 2007

THIS PROMISSORY NOTE (this "Note"), effective as of September 1, 2007 (the "Effective Date"), is made and delivered by **HAWAIIAN BEACHES WATER COMPANY, INC., A HAWAII CORPORATION** ("Borrower"), in favor of **BALONNE PLAINS PTY LTD., AN AUSTRALIAN CORPORATION** ("Lender").

FOR VALUE RECEIVED, Borrower promises to pay to the order of Lender, or Lender's successors and assigns, the principal sum of **FOUR HUNDRED EIGHTY-NINE THOUSAND FOUR HUNDRED TWENTY-FIVE DOLLARS (\$489,425.00)** (the "Note Amount"), together with interest as provided herein.

1. Interest Rate. Interest shall accrue on the outstanding portion of the Note Amount, from the Effective Date until the date the Note Amount is paid in full, at the rate of Eight and 7/10ths percent (8.7%) per annum, compounded monthly.

2. Payments. Interest shall accrue and be paid, interest only monthly, in the amount of \$3,548.33 each calendar month, on or before the first day of each calendar month, beginning on October 1, 2007 and continuing thereafter until September 1, 2010, at which time monthly payments of \$6,000 per month, principal and accrued interest, shall be made with the first such adjusted payment of principal and interest due on or before September 1, 2010, and continuing on the first day of each calendar month thereafter until the full amount of the remaining principal and accrued interest is paid in full on the Maturity Date. All payments shall be made in lawful money of the United States of America and in immediately available funds at Lender's address, or at any address specified by Lender from time to time, by written notice to Borrower.

3. Maturity Date. If not sooner payable, the outstanding principal balance under this Note, all accrued and unpaid interest, and all other indebtedness of Borrower and amounts owing under any and all of the Loan Documents (defined below) shall be due and payable on or before October 1, 2020 (the "Maturity Date").

4. Application of Payments. All payments on this Note shall, at the option of the Lender, be applied first to the payment of accrued interest then to amounts (other than principal) owed hereunder, and then to payment of principal owed hereunder.

5. Prepayment. Subject to the foregoing, at any time prior to the Maturity Date, Borrower may prepay this Note in full or in part at any time without penalty.

6. Collateral. None. This note is an unsecured obligation of the Borrower.

7. Defaults; Acceleration. The occurrence of any Event of Default (as hereinafter defined) shall be a default hereunder. Upon the occurrence of an Event of Default, Lender may

declare the entire principal balance of this Note then outstanding (if not then due and payable) and all other obligations of Borrower hereunder, to be due and payable immediately. Subject to the applicable provisions of law, upon any such declaration, the principal of the Note and accrued and unpaid interest, and all other amounts to be paid under this Note shall become and be immediately due and payable.

The occurrence of any one or more of the following, whatever the reason therefor, shall constitute an "Event of Default" hereunder:

(a) Borrower shall fail to pay on the date and by the time of day specified above, any amount due to Lender pursuant to the Note or otherwise; or

(b) Borrower shall fail to perform or observe any term, covenant or agreement contained in the Note. or

(c) Borrower (which term, solely for purposes of this Section 7(d), shall include any entity comprising or owning Borrower) is dissolved or liquidated, or otherwise ceases to exist, or all or substantially all of the assets of Borrower are sold or otherwise transferred without Lender's written consent; or

(e) Borrower is the subject of an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer ("Receiver"); or any Receiver is appointed without the application or consent of Borrower or any Guarantor, as the case may be, and the appointment continues undischarged or unstayed for thirty (30) calendar days; or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the laws of any jurisdiction; or any similar proceeding is instituted without the consent of Borrower, as the case may be, and continues undismissed or unstayed for thirty (30) calendar days; or any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the Property or Borrower, and is not released, vacated or fully bonded within thirty (30) calendar days after such issue or levy; or

(f) There shall occur a material adverse change in the financial condition of Borrower from their respective financial conditions as of the date of this Note, as determined by Lender in its reasonable discretion; or

9. Late Charge. Borrower acknowledges that if any interest payment is not made when due or if the entire amount due under this Note is not paid by the Maturity Date or any valid extensions thereof, the Lender will incur extra administrative expenses (i.e., in addition to expenses incident to receipt of timely payment) and the loss of the use of funds in connection with the delinquency in payment. Because the actual damages suffered by the Lender hereof by reason of such extra administrative expenses and loss of use of funds would be impractical or extremely difficult to ascertain, Borrower agrees that six percent (6%) of the Note Amount

increased by interest shall be the amount of damages to which such Lender is entitled, upon such breach, in compensation therefor, in addition to interest on the unpaid amounts after the due dates and any other remedies to which Lender is entitled as a result of any failure to pay amounts owed hereunder. Therefore, Borrower shall, in the event any payment required under this Note is not paid when due and payable, without further notice, pay to the Lender hereof as such Lender's sole monetary recovery to cover such extra administrative expenses and loss of use of funds, liquidated damages in the amount of six percent (6%) of the Loan Amount increased by interest, in addition to interest on the unpaid amounts after the due dates and any other remedies to which Lender is entitled as a result of any failure to pay amounts owed hereunder. The provisions of this paragraph are intended to govern only the determination of damages for administrative expenses in the event of a breach in the performance of the obligation of Borrower to make timely payments hereunder. Nothing in this Note shall be construed as an express or implied agreement by the Lender hereof to forbear in the collection of any delinquent payment or in exercising any of its other rights or remedies under the Loan Documents, or be construed as in any way giving Borrower the right, express or implied, to fail to make timely payments hereunder, whether upon payment of such damages or otherwise. The right of the Lender hereof to receive payment of such liquidated and actual damages, and receipt thereof, are without prejudice to the right of such Lender to collect such delinquent payments and any other amounts provided to be paid hereunder or under any Loan Document or security for this Note or to declare a default hereunder or under any security for this Note or under any Loan Document.

10. Acceleration/ Transferability. Except as shall be otherwise specifically provided herein, any (a) change in the control of the Borrower in an amount greater than 50%; or (b) change in the form of entity or ownership (including the hypothecation or encumbrance thereof) of the stock shall be deemed a change of control.

11. Waivers. Borrower waives any right of offset it now has or may hereafter have against the Lender hereof and its successors and assigns. Borrower waives presentment, demand, protest, notice of protest, notice of nonpayment or dishonor and all other notices in connection with the delivery, acceptance, performance, default or enforcement of this Note. Borrower expressly agrees that any extension or delay in the time for payment or enforcement of this Note, or renewal of this Note, shall not in any way affect the liability of Borrower hereunder. Any delay on Lender's part in exercising any right hereunder shall not operate as a waiver. Lender's acceptance of partial or delinquent payments or the failure of Lender to exercise any rights shall not waive any obligation of Borrower or any right of Lender, or modify this Note, or waive any other similar default.

12. Costs of Collection. Borrower agrees to pay all costs of collection when incurred and all costs incurred by the Lender hereof in exercising or preserving any rights or remedies in connection with the enforcement and administration of this Note or following a default by Borrower, including but not limited to actual attorneys' fees. If any suit or action is instituted to enforce this Note, Borrower promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees in such suit or action.

13. Usury. Borrower hereby represents that this loan is for commercial use and not for personal, family or household purposes. It is the specific intent of the Borrower and Lender that this Note bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate herein provided for exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest theretofore collected being applied against principal or, if such principal has been fully repaid, returned to Borrower upon written demand.

14. Notices. All notices to be given pursuant to this Note shall be sufficient if given by personal services, by guaranteed overnight delivery services or by being mailed postage prepaid, certified or registered mail, return receipt requested, to the described addresses of the parties hereto as set forth below, or to such other address as a party may request in writing. Any time period provided in the giving of any notice hereunder shall commence upon the date of receipt.

Borrower: Hawaiian Beaches Water Company, Inc.
P.O. Box 22,
Pahoa, Hawaii 96778

Lender: Balonne Plains Pty Ltd.
"Balonne Plains"
St. George, Qld. 4487
Australia

15. Construction. This Note shall be governed by and construed in accordance with the laws of the State of Hawaii. The titles and captions in this Note are inserted for convenience only and in no way define, limit, extend, or modify the scope of intent of this Note.

16. Partial Invalidity. If any section or provision of this Note is declared invalid or unenforceable by any court of competent jurisdiction, said determination shall not affect the validity or enforceability of the remaining terms hereof. No such determination in one jurisdiction shall affect any provision of this Note to the extent it is otherwise enforceable under the laws of any other applicable jurisdiction.

IN WITNESS WHEREOF, Maker has executed and delivered this Note on the date set forth below, to be effective as of the date first set forth above.

Borrower:

Hawaiian Beaches Water Company, Inc.,
A Hawaiian Corporation

By: _____
Katherine M. Prescott, Its President

09/04/2007 Page 1

BALONNE PLAINS NOTE

Compound Period : Monthly

Nominal Annual Rate: 8.700 %

Effective Annual Rate ...: 9.055 %

Periodic Rate: 0.7250 %

Daily Rate: 0.02384 %

CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Loan	09/01/2007	489,425.00	1	
2 Payment	10/01/2007	Interest Only	36 Monthly	09/01/2010
3 Payment	09/01/2010	6,000.00	121 Monthly	09/01/2020
4 Payment	10/01/2020	8,741.28	1	

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 09/01/2007				489,425.00
1 10/01/2007	3,548.33	3,548.33	0.00	489,425.00
2 11/01/2007	3,548.33	3,548.33	0.00	489,425.00
3 12/01/2007	3,548.33	3,548.33	0.00	489,425.00
2007 Totals	10,644.99	10,644.99	0.00	
4 01/01/2008	3,548.33	3,548.33	0.00	489,425.00
5 02/01/2008	3,548.33	3,548.33	0.00	489,425.00
6 03/01/2008	3,548.33	3,548.33	0.00	489,425.00
7 04/01/2008	3,548.33	3,548.33	0.00	489,425.00
8 05/01/2008	3,548.33	3,548.33	0.00	489,425.00
9 06/01/2008	3,548.33	3,548.33	0.00	489,425.00
10 07/01/2008	3,548.33	3,548.33	0.00	489,425.00
11 08/01/2008	3,548.33	3,548.33	0.00	489,425.00
12 09/01/2008	3,548.33	3,548.33	0.00	489,425.00
13 10/01/2008	3,548.33	3,548.33	0.00	489,425.00
14 11/01/2008	3,548.33	3,548.33	0.00	489,425.00
15 12/01/2008	3,548.33	3,548.33	0.00	489,425.00
2008 Totals	42,579.96	42,579.96	0.00	
16 01/01/2009	3,548.33	3,548.33	0.00	489,425.00
17 02/01/2009	3,548.33	3,548.33	0.00	489,425.00
18 03/01/2009	3,548.33	3,548.33	0.00	489,425.00
19 04/01/2009	3,548.33	3,548.33	0.00	489,425.00
20 05/01/2009	3,548.33	3,548.33	0.00	489,425.00
21 06/01/2009	3,548.33	3,548.33	0.00	489,425.00
22 07/01/2009	3,548.33	3,548.33	0.00	489,425.00
23 08/01/2009	3,548.33	3,548.33	0.00	489,425.00
24 09/01/2009	3,548.33	3,548.33	0.00	489,425.00
25 10/01/2009	3,548.33	3,548.33	0.00	489,425.00
26 11/01/2009	3,548.33	3,548.33	0.00	489,425.00

09/04/2007 Page 2

BALONNE PLAINS NOTE

Date	Payment	Interest	Principal	Balance
27 12/01/2009	3,548.33	3,548.33	0.00	489,425.00
2009 Totals	42,579.96	42,579.96	0.00	
28 01/01/2010	3,548.33	3,548.33	0.00	489,425.00
29 02/01/2010	3,548.33	3,548.33	0.00	489,425.00
30 03/01/2010	3,548.33	3,548.33	0.00	489,425.00
31 04/01/2010	3,548.33	3,548.33	0.00	489,425.00
32 05/01/2010	3,548.33	3,548.33	0.00	489,425.00
33 06/01/2010	3,548.33	3,548.33	0.00	489,425.00
34 07/01/2010	3,548.33	3,548.33	0.00	489,425.00
35 08/01/2010	3,548.33	3,548.33	0.00	489,425.00
36 09/01/2010	3,548.33	3,548.33	0.00	489,425.00
37 09/01/2010	6,000.00	0.00	6,000.00	483,425.00
38 10/01/2010	6,000.00	3,504.83	2,495.17	480,929.83
39 11/01/2010	6,000.00	3,486.74	2,513.26	478,416.57
40 12/01/2010	6,000.00	3,468.52	2,531.48	475,885.09
2010 Totals	55,934.97	42,395.06	13,539.91	
41 01/01/2011	6,000.00	3,450.17	2,549.83	473,335.26
42 02/01/2011	6,000.00	3,431.68	2,568.32	470,766.94
43 03/01/2011	6,000.00	3,413.06	2,586.94	468,180.00
44 04/01/2011	6,000.00	3,394.31	2,605.69	465,574.31
45 05/01/2011	6,000.00	3,375.41	2,624.59	462,949.72
46 06/01/2011	6,000.00	3,356.39	2,643.61	460,306.11
47 07/01/2011	6,000.00	3,337.22	2,662.78	457,643.33
48 08/01/2011	6,000.00	3,317.91	2,682.09	454,961.24
49 09/01/2011	6,000.00	3,298.47	2,701.53	452,259.71
50 10/01/2011	6,000.00	3,278.88	2,721.12	449,538.59
51 11/01/2011	6,000.00	3,259.15	2,740.85	446,797.74
52 12/01/2011	6,000.00	3,239.28	2,760.72	444,037.02
2011 Totals	72,000.00	40,151.93	31,848.07	
53 01/01/2012	6,000.00	3,219.27	2,780.73	441,256.29
54 02/01/2012	6,000.00	3,199.11	2,800.89	438,455.40
55 03/01/2012	6,000.00	3,178.80	2,821.20	435,634.20
56 04/01/2012	6,000.00	3,158.35	2,841.65	432,792.55
57 05/01/2012	6,000.00	3,137.75	2,862.25	429,930.30
58 06/01/2012	6,000.00	3,116.99	2,883.01	427,047.29
59 07/01/2012	6,000.00	3,096.09	2,903.91	424,143.38
60 08/01/2012	6,000.00	3,075.04	2,924.96	421,218.42
61 09/01/2012	6,000.00	3,053.83	2,946.17	418,272.25
62 10/01/2012	6,000.00	3,032.47	2,967.53	415,304.72
63 11/01/2012	6,000.00	3,010.96	2,989.04	412,315.68
64 12/01/2012	6,000.00	2,989.29	3,010.71	409,304.97
2012 Totals	72,000.00	37,267.95	34,732.05	
65 01/01/2013	6,000.00	2,967.46	3,032.54	406,272.43
66 02/01/2013	6,000.00	2,945.48	3,054.52	403,217.91
67 03/01/2013	6,000.00	2,923.33	3,076.67	400,141.24

09/04/2007 Page 3

BALONNE PLAINS NOTE

	Date	Payment	Interest	Principal	Balance
68	04/01/2013	6,000.00	2,901.02	3,098.98	397,042.26
69	05/01/2013	6,000.00	2,878.56	3,121.44	393,920.82
70	06/01/2013	6,000.00	2,855.93	3,144.07	390,776.75
71	07/01/2013	6,000.00	2,833.13	3,166.87	387,609.88
72	08/01/2013	6,000.00	2,810.17	3,189.83	384,420.05
73	09/01/2013	6,000.00	2,787.05	3,212.95	381,207.10
74	10/01/2013	6,000.00	2,763.75	3,236.25	377,970.85
75	11/01/2013	6,000.00	2,740.29	3,259.71	374,711.14
76	12/01/2013	6,000.00	2,716.66	3,283.34	371,427.80
2013	Totals	72,000.00	34,122.83	37,877.17	
77	01/01/2014	6,000.00	2,692.85	3,307.15	368,120.65
78	02/01/2014	6,000.00	2,668.87	3,331.13	364,789.52
79	03/01/2014	6,000.00	2,644.72	3,355.28	361,434.24
80	04/01/2014	6,000.00	2,620.40	3,379.60	358,054.64
81	05/01/2014	6,000.00	2,595.90	3,404.10	354,650.54
82	06/01/2014	6,000.00	2,571.22	3,428.78	351,221.76
83	07/01/2014	6,000.00	2,546.36	3,453.64	347,768.12
84	08/01/2014	6,000.00	2,521.32	3,478.68	344,289.44
85	09/01/2014	6,000.00	2,496.10	3,503.90	340,785.54
86	10/01/2014	6,000.00	2,470.70	3,529.30	337,256.24
87	11/01/2014	6,000.00	2,445.11	3,554.89	333,701.35
88	12/01/2014	6,000.00	2,419.33	3,580.67	330,120.68
2014	Totals	72,000.00	30,692.88	41,307.12	
89	01/01/2015	6,000.00	2,393.37	3,606.63	326,514.05
90	02/01/2015	6,000.00	2,367.23	3,632.77	322,881.28
91	03/01/2015	6,000.00	2,340.89	3,659.11	319,222.17
92	04/01/2015	6,000.00	2,314.36	3,685.64	315,536.53
93	05/01/2015	6,000.00	2,287.64	3,712.36	311,824.17
94	06/01/2015	6,000.00	2,260.73	3,739.27	308,084.90
95	07/01/2015	6,000.00	2,233.62	3,766.38	304,318.52
96	08/01/2015	6,000.00	2,206.31	3,793.69	300,524.83
97	09/01/2015	6,000.00	2,178.81	3,821.19	296,703.64
98	10/01/2015	6,000.00	2,151.10	3,848.90	292,854.74
99	11/01/2015	6,000.00	2,123.20	3,876.80	288,977.94
100	12/01/2015	6,000.00	2,095.09	3,904.91	285,073.03
2015	Totals	72,000.00	26,952.35	45,047.65	
101	01/01/2016	6,000.00	2,066.78	3,933.22	281,139.81
102	02/01/2016	6,000.00	2,038.26	3,961.74	277,178.07
103	03/01/2016	6,000.00	2,009.54	3,990.46	273,187.61
104	04/01/2016	6,000.00	1,980.61	4,019.39	269,168.22
105	05/01/2016	6,000.00	1,951.47	4,048.53	265,119.69
106	06/01/2016	6,000.00	1,922.12	4,077.88	261,041.81
107	07/01/2016	6,000.00	1,892.55	4,107.45	256,934.36
108	08/01/2016	6,000.00	1,862.77	4,137.23	252,797.13
109	09/01/2016	6,000.00	1,832.78	4,167.22	248,629.91
110	10/01/2016	6,000.00	1,802.57	4,197.43	244,432.48

09/04/2007 Page 4

BALONNE PLAINS NOTE

	Date	Payment	Interest	Principal	Balance
111	11/01/2016	6,000.00	1,772.14	4,227.86	240,204.62
112	12/01/2016	6,000.00	1,741.48	4,258.52	235,946.10
2016	Totals	72,000.00	22,873.07	49,126.93	
113	01/01/2017	6,000.00	1,710.61	4,289.39	231,656.71
114	02/01/2017	6,000.00	1,679.51	4,320.49	227,336.22
115	03/01/2017	6,000.00	1,648.19	4,351.81	222,984.41
116	04/01/2017	6,000.00	1,616.64	4,383.36	218,601.05
117	05/01/2017	6,000.00	1,584.86	4,415.14	214,185.91
118	06/01/2017	6,000.00	1,552.85	4,447.15	209,738.76
119	07/01/2017	6,000.00	1,520.61	4,479.39	205,259.37
120	08/01/2017	6,000.00	1,488.13	4,511.87	200,747.50
121	09/01/2017	6,000.00	1,455.42	4,544.58	196,202.92
122	10/01/2017	6,000.00	1,422.47	4,577.53	191,625.39
123	11/01/2017	6,000.00	1,389.28	4,610.72	187,014.67
124	12/01/2017	6,000.00	1,355.86	4,644.14	182,370.53
2017	Totals	72,000.00	18,424.43	53,575.57	
125	01/01/2018	6,000.00	1,322.19	4,677.81	177,692.72
126	02/01/2018	6,000.00	1,288.27	4,711.73	172,980.99
127	03/01/2018	6,000.00	1,254.11	4,745.89	168,235.10
128	04/01/2018	6,000.00	1,219.70	4,780.30	163,454.80
129	05/01/2018	6,000.00	1,185.05	4,814.95	158,639.85
130	06/01/2018	6,000.00	1,150.14	4,849.86	153,789.99
131	07/01/2018	6,000.00	1,114.98	4,885.02	148,904.97
132	08/01/2018	6,000.00	1,079.56	4,920.44	143,984.53
133	09/01/2018	6,000.00	1,043.89	4,956.11	139,028.42
134	10/01/2018	6,000.00	1,007.96	4,992.04	134,036.38
135	11/01/2018	6,000.00	971.76	5,028.24	129,008.14
136	12/01/2018	6,000.00	935.31	5,064.69	123,943.45
2018	Totals	72,000.00	13,572.92	58,427.08	
137	01/01/2019	6,000.00	898.59	5,101.41	118,842.04
138	02/01/2019	6,000.00	861.60	5,138.40	113,703.64
139	03/01/2019	6,000.00	824.35	5,175.65	108,527.99
140	04/01/2019	6,000.00	786.83	5,213.17	103,314.82
141	05/01/2019	6,000.00	749.03	5,250.97	98,063.85
142	06/01/2019	6,000.00	710.96	5,289.04	92,774.81
143	07/01/2019	6,000.00	672.62	5,327.38	87,447.43
144	08/01/2019	6,000.00	633.99	5,366.01	82,081.42
145	09/01/2019	6,000.00	595.09	5,404.91	76,676.51
146	10/01/2019	6,000.00	555.90	5,444.10	71,232.41
147	11/01/2019	6,000.00	516.43	5,483.57	65,748.84
148	12/01/2019	6,000.00	476.68	5,523.32	60,225.52
2019	Totals	72,000.00	8,282.07	63,717.93	
149	01/01/2020	6,000.00	436.64	5,563.36	54,662.16
150	02/01/2020	6,000.00	396.30	5,603.70	49,058.46
151	03/01/2020	6,000.00	355.67	5,644.33	43,414.13

09/04/2007 Page 5

BALONNE PLAINS NOTE

	Date	Payment	Interest	Principal	Balance
152	04/01/2020	6,000.00	314.75	5,685.25	37,728.88
153	05/01/2020	6,000.00	273.53	5,726.47	32,002.41
154	06/01/2020	6,000.00	232.02	5,767.98	26,234.43
155	07/01/2020	6,000.00	190.20	5,809.80	20,424.63
156	08/01/2020	6,000.00	148.08	5,851.92	14,572.71
157	09/01/2020	6,000.00	105.65	5,894.35	8,678.36
158	10/01/2020	8,741.28	62.92	8,678.36	0.00
2020	Totals	62,741.28	2,515.76	60,225.52	
Grand Totals		862,481.16	373,056.16	489,425.00	

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

Rate Base.

CA-IR-3

Ref: Application, Exhibit HBWC 3.

Please provide a detailed fixed asset schedule which identifies each asset included in each account that supports Hawaiian Beaches Water Company, Inc.'s ("HBWC") actual December 31, 2009 plant balance and accumulated depreciation. The schedule should provide the following information:

- a. Description of the asset.
- b. Date asset acquired.
- c. Cost of asset.
- d. The remaining net book value.
- e. Estimated service life for book purposes.
- f. Estimated service life for tax purposes, if different from book service life.

RESPONSE: The Company does not have an actual December 31, 2009 plant balance or accumulated depreciation schedule and therefore cannot provide that data at this time. The Company is still working on compiling the data to respond to parts a through f, above, and will provide that information on Monday, October 12, 2009.

SPONSOR: **Robert O'Brien**

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS
(SUPPLEMENTAL)**

DOCKET NO. 2009-0161

Rate Base.

CA-IR-3 Ref: Application, Exhibit HBWC 3.

Please provide a detailed fixed asset schedule which identifies each asset included in each account that supports Hawaiian Beaches Water Company, Inc.'s ("HBWC") actual December 31, 2009 plant balance and accumulated depreciation. The schedule should provide the following information:

- a. Description of the asset.
- b. Date asset acquired.
- c. Cost of asset.
- d. The remaining net book value.
- e. Estimated service life for book purposes.
- f. Estimated service life for tax purposes, if different from book service life.

**SUPPLEMENTAL
RESPONSE:**

See Attachment CA-IR-3, which contains responses to parts a to e. With regard to the estimated tax service life, the Company plans to use the same life used for book depreciation purposes, since there is no advantage to using accelerated depreciation methods at this time. The tax depreciation for 2009 and 2010 was estimated to approximate the book depreciation.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-3

HBWC
Docket No. 2009-0161

Book Asset Information

Line #	Description	[1] Factor or Reference	[2] Plant Balance	[3] Depreciation Rate	[4] Accumulated Depreciation At 12-31-09	[5] Net Plant At 12-31-09	[6] Tax Depreciation Rate
PLANT AT 12-31-05			\$ 248,132		\$ 219,724	\$ 28,408	
Plant Additions in 2006							
1	Pumping Equipment		\$ 19,323	10.00%	6,763	12,560	
2	Office Furniture		8,084	14.29%	4,043	4,041	
3	Structures		3,512	2.00%	3,512	-	
4	Transportation		30,512	20.00%	21,358	9,154	
5							
6	TOTAL		309,563				
Plant Additions in 2007							
7	Water Treatment Plant		531	2.00%	531	(0)	
8	Meters & Meter Boxes		110,981	6.87%	18,506	92,475	
9	Office Furniture & Equipment		9,464	14.29%	3,381	6,083	
10							
11	TOTAL		430,539				
Plant Additions in 2008							
12	Structures		2,920	2.00%	157	2,763	
13	Water Treatment Equip		421	2.00%	13	408	
14	Meters & Meter Boxes		210,208	6.87%	21,031	189,177	
15	Other Equipment		4,532	20.00%	1,360	3,172	
16	office Furniture		152	14.29%	33	119	
17	Transportation		8,500	20.00%	1,950	4,550	
18	TOTAL		655,272				
Plant Additions in 2009							
19	Wells		697,055	5.00%	17,426	679,629	
20	Reservoirs & Tanks		456,389	5.00%	11,410	444,979	
21	Meters & Services		50,000	6.87%	1,688	48,333	
22	Office Equipment		5,000	14.29%	357	4,643	
23	Other Equipment		10,000	20.00%	1,000	9,000	
24							
25	TOTAL		\$ 1,879,716		\$ 334,223	\$ 1,539,493	

HBWC
Booklet No. 2009-0161
Book Asset Information

Line #	Description	Date Acquired	Cost	Annual Depreciation Rate	# of Years To 12/31/05	Accum. Deprec To 12/31/05	Add. Deprec To 12/31/05	Accumulated Depreciation to 12/31/09	Net Book Value At 12/31/09	Tax Depreciation Rate
PLANT AT 12/31/05										
1	Water System	1976	40,000	0.0200	26.5	23,600	3,200	26,800	13,200	0.0200
2		1963	6,000	0.0667	22.5	6,000				0.0667
3		1964	5,496	0.0667	21.5	5,496		5,496		0.0667
4		1968	3,553	0.0323	17.5	2,024	463	2,487	1,698	0.0323
5	Total		<u>55,053</u>			<u>37,122</u>	<u>3,663</u>	<u>40,785</u>	<u>14,298</u>	
6	Water Pumps	1978	1,000	0.2000	27.5	1,000		1,000		0.2000
7		1999	16,296	0.1000	6.5	10,594	5,704	16,298		0.1000
8		2000	35,763	0.1000	5.5	19,681	14,313	34,994	1,783	0.1000
9		2002	<u>25,076</u>	0.1000	3.5	<u>8,777</u>	<u>16,030</u>	<u>24,807</u>	<u>6,269</u>	0.1000
10	Total		<u>58,135</u>			<u>40,051</u>	<u>30,048</u>	<u>70,099</u>	<u>8,056</u>	
11	Mechanical Equipment	1976	561	0.0400	29.5	561		561		0.0400
12		1979	4,360	0.1000	26.5	4,360		4,360		0.1000
13		1983	728	0.1000	22.5	728		728		0.1000
14		1981	506	0.2000	24.5	506		506		0.2000
15		1987	18,000	0.1429	18.5	18,000		18,000		0.1429
16		1990	407	0.1429	15.5	407		407		0.1429
17		2002	<u>531</u>	0.1429	3.5	<u>265</u>	<u>265</u>	<u>531</u>		0.1429
18	Total		<u>25,065</u>			<u>24,330</u>	<u>265</u>	<u>24,595</u>		
19	Meters and Installation	1978	1,000	0.0500	29.5	990	90	970	330	0.0500
20		1979	328	0.0300	27.5	160	26	206	122	0.0300
21		1981	6,000	0.2000	24.5	6,000		6,000		0.2000
22		1982	1,963	0.2000	23.5	1,963		1,963		0.2000
23		1983	3,068	0.2000	22.5	3,068		3,068		0.2000
24		1984	1,596	0.2000	21.5	1,596		1,596		0.2000
25		1985	3,232	0.2000	20.5	3,232		3,232		0.2000
26		1986	1,197	0.2000	19.5	1,197		1,197		0.2000
27		1987	2,896	0.1429	18.5	1,974		2,896		0.1429
28		1988	1,974	0.1429	17.5	1,974		1,974		0.1429
29		1989	1,546	0.1429	16.5	1,546		1,546		0.1429
30		1990	8,077	0.1429	16.5	8,077		8,077		0.1429
31		1991	4,033	0.1429	14.5	4,033		4,033		0.1429
32		2002	5,270	0.1429	3.5	2,635	2,635	5,270		0.1429
33		2003	2,563	0.1429	2.5	896	1,480	2,406	185	0.1429
34		2004	9,299	0.1429	1.5	1,963	5,314	7,307	1,882	0.1429
35		2005	<u>9,562</u>	0.1429	0.5	<u>896</u>	<u>5,476</u>	<u>6,160</u>	<u>3,422</u>	0.1429
36	Total		<u>53,432</u>			<u>44,416</u>	<u>19,972</u>	<u>64,388</u>	<u>8,052</u>	
37	Office Equipment	1976	290	0.0500	29.5	290		290		0.0500
38		1977	280	0.1250	28.5	260		260		0.1250
39		1982	321	0.2000	23.5	321		321		0.2000
40		1983	684	0.2000	22.5	684		684		0.2000
41		1984	468	0.2000	21.5	468		468		0.2000
42		1989	142	0.1429	17.5	142		142		0.1429
43	Total		<u>2,315</u>			<u>2,315</u>		<u>2,315</u>		
44	Aula	2003	2,400	0.2000	2.5	1,200	1,200	2,400		0.2000
45		2004	1,030	0.2000	1.5	300	700	1,000		0.2000
46		2005	<u>18,700</u>	0.2000	0.5	<u>1,270</u>	<u>16,950</u>	<u>18,700</u>		0.2000
47	Total		<u>22,130</u>			<u>3,170</u>	<u>18,780</u>	<u>22,100</u>		
48	TOTAL PLANT AND ACCUM DEPRE		<u>\$ 248,132</u>			<u>\$ 152,005</u>	<u>\$ 87,718</u>	<u>\$ 219,724</u>	<u>\$ 28,408</u>	

MLW PCM 11-8-da-Fin.xls
NOTES: 9_17_Bldg_F22 (BE121..CA180)

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-4

Ref: Docket No. 2006-0442 Exhibit No. MLW 8-2-B.

Exhibit No. MLW 8-2-B filed in Docket No. 2006-0442 identifies the following plant additions for the year 2007:

- 550'—12" Well with casing complete;
- Well Pump with column—550 gpm;
- Motor Controls and Soft Start;
- Piping and Electrical Work for Connection;
- 6" meter set up for SCADA;
- Distribution Meter with backflow preventor; and
- 400,000 gallon Water Storage Tank.

Page 9 of Exhibit HBWC-T-100 states that:

The Company signed a contract with Aqua Engineers, Inc., through its subsidiary Briant Construction, Inc. ("AE-BC") on July 18, 2007, to construct a 450 foot deep well, a 330,000 gallon steel composite storage site and all related plant and equipment with a completion date of December 30, 2007 for a total contract amount of \$1,041,000.

- a. Please explain why the depth of the well and capacity of the tank were revised from Docket No. 2006-0442. Please include in the explanation, the following:
 1. The documentation (e.g., preliminary engineering study) that supports the original well depth and tank capacity discussed in Docket No. 2006-0442.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-4 (cont.)

RESPONSE:

The Company believes there is no documentation that supports original depth and tank capacity as discussed in Docket No. 2006-0442 at that time. The Company believes that the information was estimated based on preliminary discussions with potential bidders on the well installation and was used as an estimate in that docket.

2. The documentation (e.g., amended engineering study or calculations) that supports the actual well depth and tank capacity constructed by AE-BE.

RESPONSE:

The Company believes there is no documentation that supports the actual well depth and tank capacity constructed. The actual well depth was determined when the well was drilled and was based on information concerning the existing well's depth. When the well was drilled, the actual depth needed was identified and the drilling ceased at that point. The tank capacity was designed based on the needs of the water system, physical location restraints at the property and the financial means of the Company.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-5 **Ref: Application, Workpaper HBWC 9.2, page 3.**

Please provide the documentation (e.g., quotations, invoices) that support the "Original Contract Sum" of \$1,041,000 identified on Workpaper HBWC 9.2.

RESPONSE: See Attachment CA-IR-5 for the support documentation requested.

SPONSOR: **Robert O'Brien**

ATTACHMENT
CA-IR-5



BRIANT CONSTRUCTION, INC.

AN EMPLOYEE OWNED COMPANY
3560 Koloa Rd. • Kalaheo, HI 96741

(808) 332-7655
FAX 332-5615

Kate Prescott
President
Hawaiian Beaches Water Company
P. O. Box 22
Pahoa, Hawaii 96778

July 27, 2007

Dear Ms. Prescott:

This is the cover letter for the contract documents that you requested; attached you will find two copies for execution both will be considered original of which one will be returned to you and one for Briant Construction upon execution. Please find contained with which are the Contract document agreement, General Conditions, your original RFP, the signed BC proposal, Project budget, and Project Schedule.

If all is acceptable please return with a notice to proceed and any other information required. We will issue our insurance once these are accepted.

Mahalo,

Lyle Tabata
General Manger
Briant Construction Company

**AGREEMENT BETWEEN
HAWAIIAN BEACHES WATER COMPANY AND BRIANT CONSTRUCTION
COMPANY**

This **AGREEMENT** is made as of the _____ day of _____ in the year of 2007 , by and between the following parties, for services in connection with the Project identified below.

OWNER:

Hawaiian Beaches Water Company
P. O. Box 22
Pahoa Hawaii 96778

DESIGN-BUILDER:

Briant Construction
3560 Koloa Road
Kalahco, HI 96741

PROJECT:

Hawaiian Beaches Water Company New Potable Water Well and 332,000 gallon Storage Tank

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree as set forth herein.

Article 1
Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents.

Article 2
Contract Documents

2.1 The Contract Documents are comprised of the following:

- .1 All written modifications, amendments and change orders to this Agreement issued in accordance with DBIA Document No. 535, Standard Form of General Conditions of Contract Between Owner and Design-Builder (1998 Edition) ("General Conditions of Contract");
- .2 This Agreement, including all exhibits and attachments, executed by Owner and Design- Builder;
- .3 Written Supplementary Conditions, if any, to the General Conditions of Contract;
- .4 The General Conditions of Contract;
- .5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract;
- .6 Design-Builder's Deviation List, if any, contained in Design-Builder's Proposal, which shall specifically identify any and all deviations from Owner's Project Criteria;
- .7 Owner's Project Criteria;
- .8 Design-Builder's Proposal, except for the Deviation List, submitted in response to Owner's Project Criteria.

Article 3

Interpretation and Intent

3.1 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

3.2 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.3 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 4

Ownership of Work Product

4.1 Work Product. All drawings, specifications and other documents and electronic data furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including the copyrights thereto.

4.2 Owner's Limited License Upon Payment in Full. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties").

4.3 Owner's Limited License Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates the Project for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, conditioned on the following:

- .1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; and
- .2 Owner agrees to pay Design-Builder the additional sum of ten percent (10%) of the contract value for the work completed to date as compensation for the right to use the Work Product in accordance with this Article 4 if Owner resumes the Project through its employees, agents, or third parties.

4.4 **Owner's Limited License Upon Design-Builder's Default.** If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract and (i) it is determined that Design-Builder was in default and (ii) Owner has fully satisfied all of its obligations under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's completion and occupancy of the Project. This limited license is conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to any Indemnified Party.

4.5 **Owner's Indemnification for Use of Work Product.** If Owner uses the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use of the Work Product.

Article 5 **Contract Time**

5.1 Date of Commencement. The Work shall commence immediately upon Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion

5.2.1 Substantial Completion of the entire Work shall be achieved no later than one hundred fifty (150) calendar days after the Date of Commencement ("Scheduled Substantial Completion Date").

5.2.2 Interim milestones and/or Substantial Completion of identified portions of the Work shall be achieved as follows: n/a

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable.

5.2.4 All of the dates set forth in this Article 5 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion is not attained by sixty (60) days after the Scheduled Substantial Completion Date (the "LD Date"), Designer-Builder shall pay Owner One Hundred Dollars (\$100) as liquidated damages for each day that Substantial Completion extends beyond the LD Date. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned by any delay in achieving Substantial Completion. (If liquidated damages are applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.4 will need to be modified accordingly)

Article 6
Contract Price

6.1 Contract Price. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of One Million Forty One Thousand Dollars (\$1,041,000) ("Contract Price"), subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Contract Price is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

6.2 Markups for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Sections 9.4.1.3 or 9.4.1.4 of the General Conditions of Contract, the following markups shall be allowed on such changes: n/a

6.3 Work will be billed on a biweekly basis, in accordance with the following schedule:

Down payment for mobilization and equipment purchases as prescribed by vendors

Drilling payments weekly or biweekly based on drillers payment rates:
\$10,000 per 50 feet of 8" pilot hole
\$15,000 per 50 feet of 16" finished reamed bore

Other construction based on a Biweekly progress payments

Article 7
Procedure for Payment

7.1 Progress Payments

7.1.1 Design-Builder shall submit to Owner on a biweekly basis or as invoiced by contractor or subcontractor's each term, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

7.1.2 Owner shall make payment within ten (10) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.2 Retainage on Progress Payments

7.2.1 Owner will retain ten percent (10%) of each Application for Payment for the construction portion of the project.

7.2.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

7.3 **Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within forty-eight (48) days after Owner's receipt of the Notice of Completion, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 **Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one and one-half percent per month (1.5 %).

7.5 **Record Keeping and Finance Controls.** With respect to changes in the Work performed on a cost basis by Design-Builder pursuant to the Contract Documents, Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access from time to time, upon reasonable notice, to Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to changes in the Work performed on a cost basis in accordance with the Contract Documents, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment.

Article 8

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following: All Work completed less payment previously made plus ten percent (10%) for overhead and profit for proven loss, cost or expense in connection with the Work.

8.2 If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof.

Article 9

Representatives of the Parties

9.1 Owner's Representatives

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

Kate Prescott
Hawaiian Beaches Water Company
P. O. Box 22
Pahoa, HI 96778

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract:

Kate Prescott
Hawaiian Beaches Water Company
P. O. Box 22
Pahoa, HI 96778

9.2 Design-Builder's Representatives

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

Eassie Miller, President
Briant Construction
3560 Koloa Road
Kalaheo, Hawaii 96741
808-332-7381

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract:

Lyle Tabata, General Manager
Briant Construction Co.
3560 Koloa Road
Kalaheo, Hawaii 96741
808-332-7566

Article 10 **Bonds and Insurance**

10.1 Insurance. Design-Builder shall procure in accordance with Article 5 of the General Conditions of Contract the following insurance coverages:

See attached insurance schedule

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

n/a

Article 11 **Other Provisions**

11.1 Other provisions, if any, are as follows: n/a

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

Hawaiian Beaches Water Company

(Signature)

(Printed Name)

(Title)

Date: _____

DESIGN-BUILDER:

Briant Construction Company

(Signature)

(Printed Name)

(Title)

Date: _____

Article 1

General

1.1 Mutual Obligations

1.1.1 Owner and Design-Builder commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.2 Basic Definitions

1.2.1 *Agreement* refers to the executed contract between Owner and Design-Builder under either DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder C Lump Sum* (1998 Edition) or DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder C Cost Plus Fee with an Option for a Guaranteed Maximum Price* (1998 Edition).

1.2.2 *Day* or *Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.3 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder or Subcontractor, to furnish design services required under the Contract Documents.

1.2.4 *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.5 *General Conditions of Contract* refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (1998 Edition).

1.2.6 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.7 *Owner's Project Criteria* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, performance requirements and other Project-specific technical materials and requirements.

1.2.8 *Site* is the land or premises on which the Project is located.

1.2.9 *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

1.2.10 *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.

1.2.11 *Substantial Completion* is the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete so that Owner can occupy and use the Project or a portion thereof for its intended purposes.

1.2.12 *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services

2.1.1 Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Design-Builder shall provide Owner with a monthly status report detailing the progress of the Work, including whether (i) the Work is proceeding according to schedule, (ii) discrepancies, conflicts, or ambiguities exist

in the Contract Documents that require resolution, (iii) health and safety issues exist in connection with the Work, and (iv) other items require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.3 Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Owner's review and response. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of and response to the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.3 Standard of Care for Design Professional Services

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same

time and locality of the Project. Notwithstanding the preceding sentence, if the parties agree upon specific performance standards for any aspect of the Work, which standards are to be set forth in an exhibit to the Agreement entitled "Performance Standard Requirements," the design professional services shall be performed to achieve such standards.

2.4 Design Development Services

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any significant changes or deviations from the Contract Documents, or, if applicable, previously submitted design submissions. Minutes of the meetings will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

2.4.3 Owner's review and approval of interim design submissions and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.

2.4.4 To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits

2.6.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6.2 Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

2.7 Design-Builder's Construction Phase Services

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance.

2.7.4 Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.7.5 Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.7.6 Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

2.8 Design-Builder's Responsibility for Project Safety

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at

the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

2.8.2 Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.8.3 Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

2.9 Design-Builder's Warranty

2.9.1 Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work by persons other than Design-Builder or anyone for whose acts Design-Builder may be liable. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than

set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

2.10 Correction of Defective Work

2.10.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by the Contract Documents.

2.10.2 Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day periods identified herein shall be deemed inapplicable.

2.10.3 The one year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

Article 3

Owner's Services and Responsibilities

3.1 Duty to Cooperate

3.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

3.1.2 Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder's schedule.

3.2 Furnishing of Services and Information

3.2.1 Unless expressly stated to the contrary in the Contract Documents, Owner shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

- .1 Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
- .2 Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;
- .3 Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;
- .4 A legal description of the Site;
- .5 To the extent available, as-built and record drawings of any existing structures at the Site; and
- .6 To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

3.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has

adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

3.3.2 Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

3.4 Owner's Representative

3.4.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work.

3.5 Government Approvals and Permits

3.5.1 Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Owner's Permit List attached as an exhibit to the Agreement.

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

3.6 Owner's Separate Contractors

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

Article 4

Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

4.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly for any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.4 Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.

4.2 Differing Site Conditions

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

4.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 5

Insurance and Bonds

5.1 Design-Builder's Insurance Requirements

5.1.1 Design-Builder is responsible for procuring and maintaining from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement, the following insurance coverages for certain claims which may arise from or out of the performance of the Work and obligations under the Contract Documents:

- .1** Coverage for claims arising under workers' compensation, disability and other similar employee benefit laws applicable to the Work;
- .2** Coverage for claims by Design-Builder's employees for bodily injury, sickness, disease, or death;
- .3** Coverage for claims by any person other than Design-Builder's employees for bodily injury, sickness, disease, or death;

5.1.2 Design-Builder's liability insurance required by Section 5.1.1 above shall be written for the coverage amounts set forth in the Agreement and shall include completed operations insurance for the period of time set forth in the Agreement.

5.1.3 Design-Builder's liability insurance set forth in Sections 5.1.1.1 through 5.1.1.7 above shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.4 To the extent Owner requires Design-Builder or any Design Consultant to provide professional liability insurance for claims arising from the negligent performance of design services by Design-Builder or the Design Consultant, the coverage limits, duration and other specifics of such insurance shall be as set forth in the Agreement. Any professional liability shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project. Such policies shall be provided prior to the commencement of any design services hereunder.

5.1.5 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and

- .4** Coverage for usual personal injury liability claims for damages sustained by a person as a direct or indirect result of Design-Builder's employment of the person, or sustained by any other person;
- .5** Coverage for claims for damages (other than to the Work) because of injury to or destruction of tangible property, including loss of use;
- .6** Coverage for claims of damages because of personal injury or death, or property damage resulting from ownership, use and maintenance of any motor vehicle; and
- .7** Coverage for contractual liability claims arising out of Design-Builder's obligations under Section 7.4.1 hereof.

in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner.

5.2 Owner's Liability Insurance

5.2.1 Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project.

5.3 Owner's Property Insurance

5.3.1 Unless otherwise provided in the Contract Documents, Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located property insurance upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants, Subcontractors and Sub-Subcontractors, and shall insure

against the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner.

5.3.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultants, Subcontractors and Sub-Subcontractors.

5.3.3 Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final

5.3.5 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts.

5.4 Bonds and Other Performance Security

5.4.1 If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

Article 6

Payment

6.1 Schedule of Values

6.1.1 Within ten (10) days of execution of the Agreement, Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for

payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.3 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

5.3.4 Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

monthly progress payments made to Design-Builder throughout the Work.

6.2 Monthly Progress Payments

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are

suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

6.2.3 The Application for Payment shall constitute Design-Builder's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner

free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

6.3 Withholding of Payments

6.3.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the

6.5 Design-Builder's Payment Obligations

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

Contract Documents, including those under Article 10 hereof.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Right to Stop Work and Interest

6.4.1 If Owner fails to pay Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.6 Substantial Completion

6.6.1 Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is substantially complete. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that it is substantially complete in accordance with the requirements of the Contract Documents. If such Work is substantially complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

6.6.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

6.6.3 Owner, at its option, may use a portion of the Work which has been determined to be substantially complete, provided, however, that (i) a Certificate of

Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

6.7 Final Payment

6.7.1 After receipt of a Final Application for Payment from Design-Builder, Owner shall make final payment by the time required in the Agreement, provided that Design-Builder has completed all of the Work in conformance with the Contract Documents.

6.7.2 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

- .1 an affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;
- .2 a general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;
- .3 consent of Design-Builder's surety, if any, to final payment;
- .4 all operating manuals, warranties and other deliverables required by the Contract Documents; and
- .5 certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

6.7.3 Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests, (ii) Design-Builder's failure to complete the Work consistent

with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

Article 7

Indemnification

7.1 Patent and Copyright Infringement

7.1.1 Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

7.1.2 If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

7.1.4 The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating

to liability for infringement of violation of any patent or copyright.

7.2 Tax Claim Indemnification

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive.

7.3 Payment Claim Indemnification

7.3.1 Providing that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification

7.4.1 Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, employees and agents from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

7.4.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or

indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

7.5 Owner's General Indemnification

7.5.1 Owner, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, employees, or agents from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner's separate contractors or anyone for whose acts any of them may be liable.

Article 8

Time

8.1 Obligation to Achieve the Contract Times

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement.

8.2 Delays to the Work

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, wars, floods, labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, adverse weather conditions not reasonably anticipated, and other acts of God.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an

appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for those events set forth in Section 8.2.1 above that are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders

9.1.1 A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

- .1 The scope of the change in the Work;

9.2 Work Change Directives

9.2.1 A Work Change Directive is a written order prepared and signed by Owner, directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

9.2.2 Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.3 Minor Changes in the Work

9.3.1 Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 Contract Price Adjustments

- .2 The amount of the adjustment to the Contract Price; and
- .3 The extent of the adjustment to the Contract Time(s).

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

9.4.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

- .1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;
- .2 A mutually accepted, lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;
- .3 Costs, fees and any other markups set forth in the Agreement; and
- .4 If an increase or decrease cannot be agreed to as set forth in items .1 through .3 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in the Agreement. If the net result of both additions and deletions to the Work is an increase in the Contract Price, overhead and profit shall be calculated on the basis of the net increase to the Contract Price. If the net result of both additions and deletions to the Work is a decrease in the

Contract Price, there shall be no overhead or profit adjustment to the Contract Price. Design-Builder shall maintain a documented, itemized accounting evidencing the expenses and savings associated with such changes.

9.4.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

9.5 Emergencies

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief

10.1.1 If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

10.2 Dispute Avoidance and Resolution

10.2.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

10.2.2 Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative.

10.2.3 If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

10.2.4 If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Mediation Rules. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator.

10.3 Arbitration

10.3.1 Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 above shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually agree otherwise.

10.3.2 The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

10.3.3 Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 10.3 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.

10.3.4 The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.

10.4 Duty to Continue Performance

10.4.1 Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

10.5 CONSEQUENTIAL DAMAGES

10.5.1 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 10.5.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING.

10.5.2 The consequential damages limitation set forth in Section 10.5.1 above is not intended to affect the payment of liquidated damages, if any, set forth in Article 5 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner for some damages that might otherwise be deemed to be consequential.

Article 11

Stop Work and Termination for Cause

11.1 Owner's Right to Stop Work

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of work by Owner.

11.2 Owner's Right to Perform and Terminate for Cause

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely

pay, without cause. Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

11.3 Design-Builder's Right to Stop Work

Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop work for the following reasons:

- .1 Owner's failure to provide financial assurances as required under Section 3.3 hereof; or
- .2 Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

11.4 Design-Builder's Right to Terminate for Cause

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

- .1 The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for

whose acts Design-Builder may be responsible.

- .2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

11.5 Bankruptcy of Owner or Design-Builder

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

- .1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and
- .2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

- .3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Miscellaneous

12.1 Assignment

12.1.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

12.2 Successorship

12.2.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

12.3 Governing Law

12.3.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

12.4 Severability

12.4.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be

superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

12.5 No Waiver

12.5.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

12.6 Headings

12.6.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

12.7 Notice

12.7.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement or (iii) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

12.8 Amendments

12.8.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

Hawaiian Beaches Water Company

PO Box 22 * Pahoia * Hawaii * 96778

Phone: (808) 965-9882 Fax: (808) 968-8388

April 2, 2007

Hawaiian Beaches Water Company Request Proposals to Provide Professional Engineering Design and Post-Design Construction Administration Services for Potable Water Well Construction, Outfitting, Associated Storage and Emergency Backup Power

Introduction: Hawaiian Beaches Water Company located in Puna on the Big Island of Hawaii is requesting proposals from qualified consulting engineering firms or qualified contractors with the capacity to complete the project scope. The project includes the design and construction phase services for the construction of a new potable water well, outfitting, associated storage, and emergency backup power. Professional services will include design of potable water well, well casings & screens, well pipe, well head, pumps, electrical control and valves, integration with the existing well facility, treatment, and site, preparation of bid ready plans and specifications, bid documents, construction cost estimates, and bid the project to prospective contractors. Post-design services shall include inspection and testing during well construction, and startup and testing of the completed system. Time is of the essence and the facility is required to be operational by December 30, 2007.

Bidding Instructions: Proposals for Consulting Engineering Services will be received at P.O. Box 22, Pahoia, Hawaii 96778 or hand delivered to 15-966 Punawai Street, Pahoia, Hawaii 96778, until 4:00 p.m. on or by **April 30, 2007**. Any questions regarding this proposal should be directed to Kate Prescott, President (kateprescott78@hotmail.com).

Background: Hawaiian Beaches Water Company is located at on a lot identified as tax map key (3)-1-5-101:20. The chain-link fence enclosed site contains the Hawaiian Beaches administration office which is part of a wood structure warehouse, a radio antenna mounted on a wood pole, a 100,000 gallon steel tank (30 ft. high by 24 ft. diameter), a 40,000 gallon abandoned steel tank (16 ft. high by 20 ft. diameter) a wooden shed housing chemical tank and metering pump, an injection vault, another wooden shed housing the electrical panel, a three-wire –three transformer power pole and a supply well equipped with a submersible pump (see attached site map). The entire site is topographically flat. The USGS topographic map indicates that the Hawaiian Beaches wellhead resides approximately 404 feet above MSL.

Currently, the well pump is operating 16 hours per day at approximately 570 gallons per minute. The on and off cycling of the pump is recorded by a simple mechanical counter which reads each time a control switch is thrown. This cycles five to six times per day.

The existing well will continue to be used as a back-up facility after the new well is on-line.

The well water is pumped through a chemical injection vault before entering into a 24-ft. diameter, 30-ft. high steel tank (100,000 gallons). The disinfection system is a liquid injection type and consists of an LMI chemical metering pump that draws liquid chlorine solution from a 35 – gallon tank housed within the chlorine building.

Permits have been issued by the Department of Land and Natural Resources (“DLNR”), for Well Construction and Pump Installation. Driller/contractor will need to provide all materials, a schedule for completing the well, related storage and operational date and provide a detailed cost for the project, including progress payment and retention requirements.

Project Scope:

Design of approximately 450-foot deep well. At this time, current water consumption is estimated to be approximately 570,000 GPD and the system is estimated to be at 50% of full build-out. The future well will be Hawaiian Beaches’ main production well and the design should allow for an upgrade to larger pump to handle future demand.

Depending on cost and physical constraints, the water storage tank is anticipated to be approximately 400,000 gallons to 600,000 gallons.

An emergency generator shall also be established for back-up power during times of system breakdown or power outages. Power outages are relatively common and last several hours.

The work will consist of developing, drilling, outfitting, and pump testing the new water well. Engineering work needed for a complete installation including motor controls and soft start or VFD, meters and backflow prevention, air relief valve, additional piping and electrical work.

Both existing and future well and storage need to be integrated to allow for operation both independently and collaboratively for maintenance and repair of either source or storage as needed.

The scope of work shall include the following:

- Research and field investigation
- Preliminary cost estimates
- Design of the facility, piping and appropriate valves
- Design of the facility shall be in accordance with all Hawaii Department of Health requirements for Public Water Systems as well as the Department of Land and Natural Resources (State Water Commission).
- Coordinate all Department of Health review and approval procedures.
- Develop design and coordinate bid process

- Construction management and inspection

The entire Project must be completed and operational by December 30, 2007.

Pre-Proposal Tour: Interested parties are asked to visit the site at 15966 Punawai Street, Pahoa, Big Island, on April 16, 2007 at 11 a.m. to inspect proposed site and existing well storage. Site inspection is available by appointment during regular business hours for those who are unable to attend the pre-proposal tour.

All proposals will be evaluated by Kate and Mark Prescott, President and Vice-President of Hawaiian Beaches Water Company. Thank you for your attention and quick response to this request for bids.

Sincerely,

Kate Prescott
President



3560 Koloa Road
Kalaheo, Hawaii 96741
Tel (808) 332-7381
Fax (808) 332-7596
Neighbor Islands call
1 (800) 430-7381
ae@aquaengineers.com

Ms. Kate Prescott
President
Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, Hawaii 96778

July 18, 2007

Subject: Hawaiian Beaches Water Company
Potable Water Well System Design Build - Revised Proposal

Dear Ms. Prescott:

Aqua Engineers, Inc through its subsidiary Briant Construction is pleased to submit a revised proposal to design and build the water system improvements as outlined in your RFP of April 02, 2007 (attached). It is our understanding that the approach has changed from a Design Bid Build project to a Design Build project.

We are excited with the opportunity to work with you and your group in meeting the design objectives for the project. We have organized an experienced design and construction team to meet your schedule of having the system operational by December 30, 2007.

Our approach to this project is to work in close partnership with you to ensure a successful project. Our team's proposed approach to the design and construction is outlined below.

Background

Hawaiian Beaches Water Company has an existing water well and storage system on its property located at TMK (3)-1-5-101:20. The existing system currently pumps and distributes approximately 570, 000 gallons per day (gpd) to Company's users. The pumped water is stored in a 100,000 gallon steel tank and disinfected using a liquid chlorination system to meet the regulatory disinfection requirement.

Hawaiian Beaches Water Company has secured the required Department of Land and Natural Resources permit to draw 1,440,000 gpd of water from the new well.

Project Scope

Hawaiian Beaches Water Company's objective is to design and build a reliable and simple to operate new water production well and storage system that are integrated into the existing water system. The scope includes:

Ms. Kate Prescott
 Hawaiian Beaches Water Co.
 Page 2 of 4

- Drilling new 450 foot deep primary production water well on the existing property. The initial installed pump will have the capacity to meet current demands of 570,000 gpd with the opportunity to install a larger pump in the future to meet development build out water demand.
- New pump to use a soft start motor or Variable Frequency Drive.
- New flow meter, appurtenant valves and control valves, piping, and back flow prevention.
- Construction of a new 332, 000 gallon water storage tank size determined based on cost and site constraints.
- Installation of an emergency generator to provide back up power for the production pump(s) and system controls.
- Integrating the existing disinfection system into the new system.
- Design team will coordinate all Department of Health reviews and approvals including required permits.
- Design team will communicate and coordinate with the Department of Land and Natural Resources to ensure compliance with all permit conditions.
- Design will meet all security requirements for water wells and storage systems
- Prepare system Operations and Maintenance Manual.

The project schedule requires the new well and storage system to be operational by December 30, 2007.

Project Team

Aqua Engineers, Inc has created an experienced team with the required expertise to meet Hawaiian Beaches Water Company's project objectives. Our team will be managed by Mr. Lyle Tabata, General Manager, of Briant Construction. The engineering design team would include members headed up by Aqua Engineers for the system design which include; mechanical, electrical, structural, and hydro-geological engineering. The construction team will consist of members headed up by Briant Construction to include, well drilling, mechanical, electrical and civil soil and concrete work.

Ms. Kate Prescott
Hawaiian Beaches Water Co.
Page 3 of 4

We are committed to working with you and your team, as our experiences reinforces the importance of working in close partnership with the project owner to ensure success.

Project Approach

We understand the importance of keeping the system simple and integrating the new with the existing. Our goal in designing and constructing the new system will be to incorporate sufficient redundancy to provide a reliable water system while keeping it simple. This is a challenging goal that we are up to. Our team's experience in design and operation will test our approach as we forge ahead with the system design. We also, are up to working with the existing site constraints and being creative in laying out the new well and storage tank. Figure 1 lays out the site challenges with the existing structures and property configuration.

Our approach includes the following tasks:

Task 1: Data Gathering

- Meet with the owners team to discuss the current system operation, understand project objectives and develop partnership agreement
- Obtain available drawings and data of the existing system
- Meet with DOH and DLNR staff to discuss project and schedule
- Install electrical monitoring equipment on the existing power supply to gain real information on power system integrity and ensure proper electrical system design
- Prepare project schedule

Task 2: Design

- Prepare Project Basis-of-Design Technical Memorandum to guide design process and ensure owners objectives are met. Meet and discuss Technical Memorandum with owner.
- Select equipment and initiate procurement
- Emergency generator will be powered by diesel fuel.
- Prepare design package and obtain DOH and DLNR approvals
- Secure all regulatory permits

Task 3: Construction

- Begin initial construction activities concurrent with design
- Work with owners team to integrate new and existing system
- Test system
- Prepare Operations and Maintenance Manual

Ms. Kate Prescott
Hawaiian Beaches Water Co.
Page 4 of 4

Task 4: Turn system over to Owner

- Complete this task by December 30, 2007

Owner Responsibilities

- Walk all local permitting through the local government channels for approval; these include building, electrical and plumbing.
- Insure the smooth transfer of funds to support the project payment schedule.
- Assist the contractors with local communications of coordination between the entities for the project; I.E., utilities, ground transportation, vendors etc.

Fee Proposal

We have prepared the following lump sum proposal fee of the scope as listed above for the amount of **\$1, 041, 000** tax included. Our objective is to utilize the Design Build approach to partner with you and your team to further refine the project costs to ensure a positive outcome.

Our fee proposal is based on the following key assumptions.

- Drilling a 450 foot well
- Installing a 570,000 gpd capacity pump with a
- Constructing a 332,000 gallon steel composite storage tank, assuming the site is adequate
- Use a diesel fuel emergency generator
- Basic SCADA alarm system
- Use of existing disinfection system


We appreciate the opportunity to submit this proposal for your consideration and look forward to working with you to successfully meet your project objectives. We are available to meet with you to discuss our approach and proposal details. Based on this meeting we would reevaluate our fee proposal and make the appropriate adjustments.

Please feel free to contact Mr. Lyle Tabata at (808)332-7381 to discuss any questions or concerns and schedule the meeting.

Mahalo,



Eassie Miller
President Aqua Engineers, Inc.



Katherine Prescott
President Hawaiian Beaches
Water Co. Inc.
7/18/07

Briant Construction, Inc.

3560 Koloa Road
 Kalaheo, Hawaii 96741
 Lic. No. ABC 22696

Project: Hawaiian Beaches Water Company
Location: Pahoa, Hawaii

Design and construction of a Potable Water Well for Hawaiian Beaches Water Company
--

	DESCRIPTIONS	QUANTITIES	TOTAL COSTS
Consulting Engineers			
	Total Consultants		\$83,236.67
Piping - Backflow Preventer, Flow meter, Automatic Air Valve, Piping from Well Head to Storage Tank.			
	Total Labor		\$59,357.02
	Total Materials		\$65,665.70
Fusion Tank	Water Storage Tank - 332,000 gals	171,617.60	
	Installation	37,230.63	
			\$208,848.23
Equipment			
	Total Equipment		\$6,600.00
Subcontractors			
	Well Drilling; International Drilling - Fred Page	309,588.00	
	Electrical Sub - from Lyman		
	MCC Soft Start/VFD	39,800.00	
	Mission Alarm (Tank Levels)	16,500.00	
	HELCO SVC	13,750.00	
	Backup Power Emergency Generator	55,000.00	
	Generator and ATS - 150 KW		
	Purchase Generator / Silent Enclosure / Tank		
	Installation / Testing		
	Civil site work	6,600.00	
	Total Subcontractor	441,038.00	\$441,038.00
Other			
	Travel / Room / Board	20,000.00	
	Operation Manual	5,500.00	\$25,500.00
	BC Freight	15,000.00	\$15,000.00
	SUBTOTAL		\$905,245.62
	10% Contingency		\$90,524.56
	Perf Bond		
	Insurance		\$3,620.98
	4.166% GET		\$41,634.64
	TOTAL		\$1,041,025.80

ID	Task Name	Duration	Start	Finish	Jul 22, '07	Jul 29, '07	Aug 5, '07	Aug 12, '07					
1	Hawaiian Beaches Potable W.	107 days?	Tue 7/24/07	Wed 12/18/07	S	M	T	W	T	F	S	S	M
2	Notice to Proceed	1 day?	Wed 8/1/07	Wed 8/1/07									
3	Site visit Hydro-geologist, :	1 day?	Wed 7/25/07	Wed 7/25/07									
4	Finalize Budget	1 day?	Tue 7/24/07	Tue 7/24/07									
5	Finalize schedule	4 days	Tue 7/24/07	Fri 7/27/07									
6	Well Design	4 days	Tue 7/24/07	Fri 7/27/07									
7	Driller Mobilization	5 days	Thu 8/2/07	Wed 8/8/07									
8	Drill Well	72 days	Thu 8/9/07	Fri 11/16/07									
9	Well testing	7 days	Mon 11/19/07	Tue 11/27/07									
10	Potable pump installation	10 days	Wed 11/28/07	Tue 12/11/07									
11	Electrical Design	15 days	Thu 8/2/07	Wed 8/22/07									
12	Electrical order	40 days	Thu 8/23/07	Wed 10/17/07									
13	Electrical installation	8 days	Thu 10/18/07	Mon 10/29/07									
14	Tank Design	15 days	Tue 7/24/07	Mon 8/13/07									
15	Order Equipment; tank, err	40 days	Thu 8/2/07	Wed 9/26/07									
16	Site Civil Construction	5 days	Tue 8/14/07	Mon 8/20/07									
17	Tank Construction	20 days	Thu 9/27/07	Wed 10/24/07									
18	Piping Order & delivery	10 days	Tue 8/21/07	Mon 9/3/07									
19	Piping Construction	5 days	Tue 9/4/07	Mon 9/10/07									
20	Piping tank chlorination	1 day?	Thu 10/25/07	Thu 10/25/07									
21	Piping tie in to pump and ti	4 days	Wed 12/12/07	Mon 12/17/07									
22	Final chlorination and testi	2 days	Tue 12/18/07	Wed 12/19/07									

Project: Hawaiian Beaches Proj Mana
Date: Thu 7/26/07

Task

Split

Progress

Milestone

Summary

Project Summary

External Tasks

External Milestone

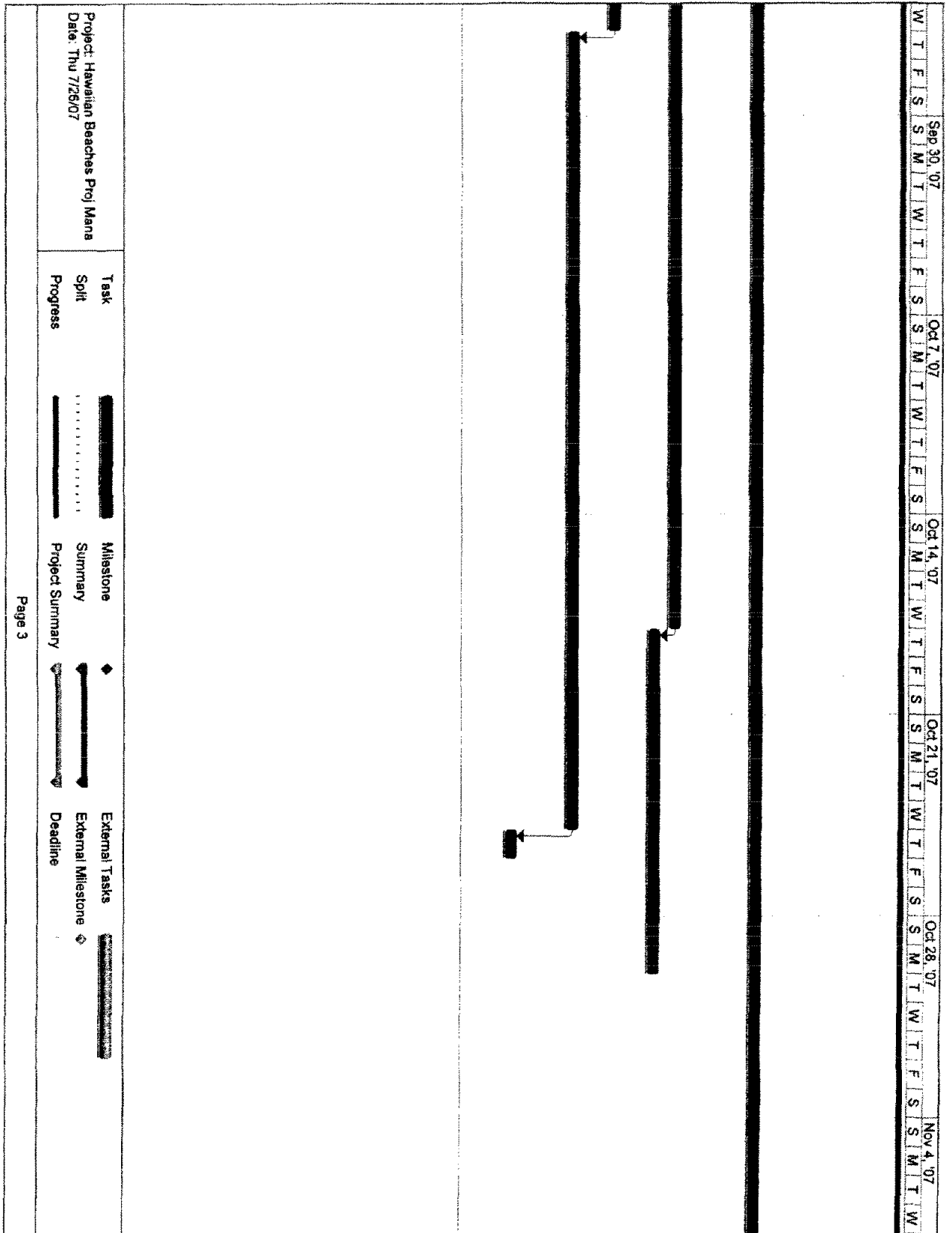
Deadline

Page 1

Project: Hawaiian Beaches Proj Mana
Date: Thu 7/26/07

Task Split Progress Milestone Summary Project Summary

External Tasks External Milestone Deadline



**BRIANT CONSTRUCTION, INC.**

Subsidiary of Aqua Engineers, Inc.
 3560 Koloa Road Kalaheo, Hawaii 96741
 Phone: (808) 332-7655 Fax: (808) 332-5615

LETTER OF TRANSMITTAL

TO: Hawaiian Beaches Water Company
 PO Box 22
 Pahoa, HI 96778

DATE: 7/1/09

REFERENCE: Final Billing

ATTN: **Ms. Kate Prescott**

FROM Lynne Tamashiro

WE ARE TRANSMITTING: ☐ ATTACHED ☐ UNDER SEPARATE COVER

THE FOLLOWING ITEMS: ☐ PRINTS ☐ TRACINGS ☐ SUBMITTALS

☐ SHOP DRAWINGS ☐ SPECIFICATIONS ☒ OTHER See below

REMARKS:

Hi Kate,

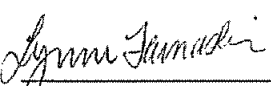
Attached is the final billing for your project. As of June 30, 2009 I have no notification that any liens have been filed on your project. Also attached is a copy of the affidavit of publication for the notice of completion.

This is a summary of the amount to remit.

Invoice # 3423 Final Retention billing	\$ 72,569.51
Credit Memo #3424 Liquidated Damages	\$ (30,700.00)
Over payment on inv#3417	\$ (3.00)
Balance Due	\$ 41,866.51

If you have any questions please feel free to call me at (808)240-2210 or email:
ltamashiro@aquaengineers.com.

COPY TO: File

BY: 
 Lynne Tamashiro

Hawaiian Beaches Water Company
Kate Prescott
PO Box 22
Pahoa, HI 96778

APPLICATION AND CERTIFICATE FOR PAYMENT

PAGE 1 OF 2

TO OWNER:

HAWAIIAN BEACHES WATER COMPANY
PAHOA HAWAII

PROJECT: 353 Hawaiian Beaches

APPLICATION NO. 21R
PERIOD TO: 29-Jun-09
PROJECT NO. 353

FROM CONTRACTOR:

BRIANT CONSTRUCTION, INC.
3560 Koloa Road
Kalaheo, HI 96741

CONTRACT FOR:

Design and Construction of a Potable Water Well for Hawaiian Beaches Water Company

CONTRACTOR'S APPLICATION FOR PAYMENTApplication is made for payment, as shown below, in connection with the Contract.
Continuation Sheet is attached.

1 ORIGINAL CONTRACT SUM	\$	1,041,000.00
2 Net Change by Change Orders	\$	122,195.05
3 CONTRACT SUM TO DATE (Line 1+2)	\$	1,163,195.05
4 TOTAL COMPLETED & STORED TO DATE	\$	1,163,195.05
5 RETAINAGE:		
a. 10% of Completed Work Less Item No. 3 (Columns D + E on attached)		
b. 10% of Stored Material (Columns F on attached)		
Total Retainage (Line 5a + 5b or Total in Column I of attached)	\$	-
6 TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$	1,163,195.05
7 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	1,090,625.54
8 CURRENT PAYMENT DUE	\$	72,569.51
9 BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	-


CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ 137,842.00	\$ 15,600.00
Total approved this Month	\$ 38,121.96	\$ 37,968.91
TOTALS	\$ 175,963.96	\$ 53,568.91
NET CHANGE by Change Order	\$	122,195.05

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: BRIANT CONSTRUCTION, INC.

By:

Date:

 6/30/09

CONTINUATION SHEET										PAGE 2 OF 2	
APPLICATION AND CERTIFICATE FOR PAYMENT										APPLICATION NO. 21R	
PROJECT NAME: 07-3531 Haleiuan Beaches Water System										APPLICATION DATE: 6/29/2009	
PAHOA HAWAII										PERIOD END:	
A	B	C	D	E	F	G	H	I			
ITEM	DESCRIPTION	SCHEDULED VALUE	WORK COMPLETED PREVIOUS	THIS PERIOD	STORED MATERIAL	TOTAL STORED & COMPLETED	%	BALANCE TO FINISH	RETAINAGE		
1	MOBILIZATION 5%	58,000.00	58,000.00		-	58,000.00	100.0%	-	5,800.00		
2	DESIGN	104,000.00	103,754.88	245.12	-	104,000.00	100.0%	-	10,400.00		
3	WELL	324,399.00	324,399.00		-	324,399.00	100.0%	-	-		
4	SITE WORK	24,068.00	24,068.00		-	24,068.00	100.0%	-	2,406.80		
5	CONCRETE	32,900.00	32,900.00		-	32,900.00	100.0%	-	3,290.00		
6	TANK	254,533.00	242,296.75	12,234.25	-	254,533.00	100.0%	-	25,453.30		
7	DISCHARGE PIPING	52,000.00	49,785.98	2,214.02	-	52,000.00	100.0%	-	5,200.00		
8	MCC BUILDING	26,000.00		26,000.00	-	26,000.00	100.0%	-	2,600.00		
9	ELECTRICAL	62,500.00	57,438.89	5,061.11	-	62,500.00	100.0%	-	6,250.00		
10	HELCO	15,600.00		15,600.00	-	15,600.00	100.0%	-	1,560.00		
11	GENERATOR	66,200.00	59,576.48	6,620.51	-	66,200.00	100.0%	-	6,620.00		
12	TESTING	20,800.00	12,091.25	8,708.75	-	20,800.00	100.0%	-	2,080.00		
13											
14											
CHANGE ORDER											
Additive Change Order											
1	Change in Well Driller	113,101.00	113,101.00		-	113,101.00	100.0%	-	-		
2	DOH Regulatory Permit Requirements	24,541.00	24,541.00		-	24,541.00	100.0%	-	2,454.10		
3	Electrical Change in Scope - Materials, Equipment (Funded by Contingency)										
6	New MCC Building Design & Construction	11,821.23		11,821.23	-	11,821.23	100.0%	-	1,182.12		
7	Design & Construct 2 ea. Storm Runoff Drywells - Required by County of Hawaii	13,020.60		13,020.60	-	13,020.60	100.0%	-	1,302.06		
8	Design Requirements to Meet New 2008 Ground Water Rule	10,214.13		10,214.13	-	10,214.13	100.0%	-	1,021.41		
9	Request to Pace Chlorine Injection to Pump Flow	3,066.00		3,066.00	-	3,066.00	100.0%	-	306.60		
	Deductive Change Order										
4	HELCO Charges for Electrical Feed Construction	(15,600.00)		(15,600.00)	-	(15,600.00)	100.0%	-	(1,560.00)		
5	Plastidip MCC Building	(26,000.00)		(26,000.00)	-	(26,000.00)	100.0%	-	(2,600.00)		
10	Reduction of Contingency (CO 182)	(11,988.91)		(11,988.91)	-	(11,988.91)	100.0%	-	(1,198.89)		
TOTALS		1,163,195.05	1,101,966.24	61,228.81	-	1,163,195.05	100.00	-	72,569.51		

Briant Construction, Inc.

3560 Koloa Road
 Kalaheo, HI 96741
 (808) 332-7381

Credit Memo

DATE	CREDIT NO.
6/26/2009	3424

CUSTOMER
Hawaiian Beaches Water Company Kate Prescott PO Box 22 Pahoa, HI 96778

		P.O. NO.	PROJECT
		353	353 - Hawaiian Beac...
DESCRIPTION	QTY	RATE	AMOUNT
Liquidated damages 307 days @ \$100.00	-307	100.00	-30,700.00
		Total	\$-30,700.00

In the Circuit Court of the Third Circuit
State of Hawaii

FILED

2009 MAY 15 AM 10:24

J. YAGI, CLERK
THIRD CIRCUIT COURT
STATE OF HAWAII

IN THE MATTER OF
NOTICE OF COMPLETION

Hawaiian Beaches Water
Company Inc.
Owner(s)

Tax Map Key (3) 1-5-101-020

326307

NOTICE OF
COMPLETION
Pursuant to Section
507-43, Hawaii Revised
Statutes, notice is hereby
given that the construc-
tion of that certain New
Potable Water Well &
332,000 gallon Water
Tank situated at 15-966
Punawai Avenue, Pahoa,
Hawaii, Tax Map Key (3)
1-5-101-020 has been
completed.
Hawaiian Beaches Water
Company Inc.
Owner(s)
(326307 Hawaii Tribune-
Herald, May 7, 14, 2009)

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII)
COUNTY OF HAWAII) ss.

LEILANI K. R. HIGAKI, being duly sworn deposes and
says, that she is the Business Manager of the Hawaii
Tribune-Herald, publisher of Hawaii Tribune-Herald, a
newspaper published in Hilo, Island and County of Hawaii,
that the ordered publication in the above entitled matter,
of which the annexed is a true and correct copy was
published 2 times in the HAWAII TRIBUNE-
HERALD, aforesaid,

Commencing May 7, 2009

Ending May 14, 2009

Both dates inclusive, to wit:

May 7, 14, 2009

and the affiant is not a party to or in any way interested in
the above entitled matter.

Leilani K. R. Higaki

HAWAII TRIBUNE-HERALD

Subscribed and sworn to before me this 15th
day of May, 2009, A.D.

Sharon H.P. Ogata

SHARON H.P. OGATA

Notary Public, Third Judicial Circuit, State of Hawaii

My Commission Expires October 1, 2012

Page(s): 1

09-1 -0316

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-6 **Ref: Application, Exhibit HBWC 9.4.**

Please provide the workpapers and documentation used by the Company to determine the depreciation expense rates identified on Exhibit HBWC 9.4.

RESPONSE: The depreciation expense rates used on Exhibit HBWC 9.4 come mainly from the last rate case and represent depreciation rates used at that time. The Company did not use the prior depreciable lives for the meters and meter installations which ranged from 50 years to 7 years. The Company believes that the meter installations and meters should have a combined life of 15 years and used that for the meter installations in recent years. The Company also used a composite depreciable life for the well and related equipment of 20 years. Some of the components are likely to require replacement sooner and some should last longer. Likewise with the reservoir and tank, the Company believes that a 20 year life is reasonable.

SPONSOR: **Robert O'Brien**

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-7

Ref: *Stipulation of Settlement Agreement in Lieu of Rebuttal Testimonies*, filed April 4, 2007 in Docket No. 2006-0442 ("Stipulation").

The following table summarizes the annual depreciation rates for several capital equipment costs used in the Stipulation (Exhibit C, page 6) and the instant proceeding.

	Docket No. 2006-0442 Stipulation	Docket No. 2009-0161
New Water Well	0.0250	0.05
Meters and Installation (2007)	0.05	0.0667

To the extent not discussed in another response, please explain why the Company is using different depreciation expense rates in the instant proceeding from the rates set forth in the Stipulation.

RESPONSE:

With regard to the meters and installations, based on the state of the pre-existing meters and meter installations observed when they were replaced, those assets were not lasting 20 years. The Company believes its current procedures should provide a 15 year life span. With regard to the well and related equipment, the Company believes that while the well shaft could last 40 years, the related pumps and other equipment that are included in the \$697,055 asset value will have much shorter lives. Therefore, the Company believes that a composite life of 20 years is reasonable.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-8

Ref: Application, Exhibit HBWC 9.7.

- a. Please identify the actual amount of contributions-in-aid-of construction ("CIAC") collected annually for the years 2006 through 2008.

RESPONSE:

The Company commenced operations in April 2007. The information for CIAC applies only to 2007 and 2008. See Attachment CA-IR-8a.

- b. In light of the Company's new well and storage facilities, please discuss whether the Company plans to serve the 150 new customers anticipated in the Stipulation in Docket No. 2006-0442. If so, please identify when the Company plans to serve these customers.

1. If not, please explain why the Company will not be providing water service to these 150 homes.

RESPONSE:

The Company plans to serve all new customers who request service and comply with the Company's rules and regulations. Of the 150 customers that were anticipated at the time of the Stipulation in Docket No. 2006-0442, approximately one-third have connected to the water system and are currently customers of the Company. The remaining two-thirds

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-8 (cont.)

have not elected to request service which the Company believes is, in all probability, due to the economic downturn that has occurred over the last several years when new home construction effectively ceased. The Company has accommodated all new customer requests received to date.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-8a

HAWAIIAN BEACHES WATER COMPANY**CA-IR-8A****CIAC COLLECTED 2007-2008**

DATE	ACCT #	NAME	AMOUNT
07/01/07	2-1509-0	BARAO	\$1,500.00
07/01/07	1-1056-0	ZAPPALA	\$1,500.00
07/06/07	2-2609-0	DAVIS	\$1,500.00
07/13/07	2-0460-0	SUYKRY	\$1,500.00
07/17/07	1-1520-0	NICHOLS	\$1,500.00
07/18/07	2-0921-0	SCRIVEN	\$1,500.00
07/18/07	1-0650-0	MC GUNN	\$1,500.00
07/19/07	2-1208-0	ERIKSSON	\$1,500.00
07/20/07	1-0239-0	WHITE	\$1,500.00
07/20/07	1-0545-0	THIBODEAUX	\$1,500.00
07/20/07	2-0357-0	WHITE	\$1,500.00
07/20/07	2-0451-0	HALE	\$1,500.00
07/20/07	2-0632-0	STEPHENS	\$1,500.00
07/20/07	2-0232-0	STEPHENS	\$1,500.00
07/20/07	1-0810-0	YOUNG	\$1,500.00
07/22/07	2-0166-0	COYLE	\$1,500.00
07/24/07	1-0309-0	STEVER	\$1,500.00
07/24/07	2-0364-0	YOUNG	\$1,500.00
07/24/07	3-1621-0	YOUNG	\$1,500.00
07/24/07	3-1623-0	YOUNG	\$1,500.00
07/24/07	3-1908-0	YOUNG	\$1,500.00
07/24/07	3-1709-0	GREEN	\$1,500.00
07/24/07	3-0173-0	WOHN	\$1,500.00
07/25/07	1-0116-0	LAIR	\$1,500.00
07/25/07	1-2425-0	SALSEDO	\$1,500.00
07/25/07	1-1448-0	MANN	\$1,500.00
08/02/07	1-0709-0	RINKLEIB	\$1,500.00
08/06/07	2-0868-0	THORSEN	\$1,500.00
08/08/07	3-1849-0	BAILEY	\$1,500.00
08/09/07	3-1913-0	ZAPARKA	\$1,500.00
09/21/07	3-1665-0	WOODWORTH	\$1,500.00
09/24/07	3-1617-0	KAWELO	\$1,500.00
09/24/07	3-1615-0	KAWALO	\$1,500.00
10/04/07	1-0933-0	KAM	\$1,500.00
10/04/07	2-0215-0	LOPEZ	\$1,500.00
10/18/07	2-1030-0	ISHII	\$1,500.00
10/21/07	3-0694-0	LAU	\$1,500.00
10/23/07	3-1519-0	BRINKLEY	\$1,500.00
10/25/07	2-0909-0	DURNAN	\$1,500.00
10/26/07	3-1484-0	MOSHER	\$1,500.00
10/30/07	1-2140-0	ZANIEWICZ	\$1,500.00
10/30/07	3-1906-0	TABEL	\$1,500.00
10/31/07	3-1887-0	LOWY	\$1,500.00
11/05/07	1-0638-0	HANSEN	\$1,500.00
11/08/07	2-0854-0	OTA	\$1,500.00

11/09/07	1-1714-0	SUZUKI	\$1,500.00
11/27/07	2-0665-0	MERTZ	\$1,500.00
11/28/07	1-0410-0	HARA	\$1,500.00
11/29/07	1-0938-0	KLEID	\$1,500.00
11/29/07	2-0468-0	BENNETT	\$1,500.00
11/30/07	3-0845-0	CALICA	\$1,500.00
12/01/07	3-1972-0	EATON	\$1,500.00
12/01/07	3-1972-0	EATON	\$1,500.00
12/03/07	2-0339-0	OSHIRO	\$1,500.00
12/19/07	1-0228-0	WARNOCK	\$1,500.00
12/27/07	2-2629-0	RIDGE	\$1,500.00

2007 TOTAL			\$84,000.00
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01/15/08	2-0359-0	CRAMER	\$1,500.00
01/17/08	3-1803-0	ALLEN	\$1,500.00
01/24/08	1-0653-0	DURGIN	\$1,500.00
01/25/08	2-0865-0	DOMINGUEZ	\$1,500.00
02/08/08	2-0201-0	ALATINI	\$1,500.00
02/14/08	1-0503-0	YAMASHITA	\$1,500.00
03/13/08	1-0856-0	JONES	\$1,500.00
03/18/08	1-1811-0	ZAMORA	\$1,500.00
03/31/08	1-0959-0	EVERITT	\$1,500.00
05/15/08	1-2625-0	BLACKISTON	\$1,500.00
05/20/08	2-1528-0	YOUNG	\$1,500.00
06/05/08	2-1060-0	BREZOVAR	\$1,500.00
07/07/08	1-1526-0	ROBINSON	\$1,500.00
08/13/08	1-0107-0	GAST	\$1,500.00
09/04/08	2-1631-0	LOOMIS	\$1,500.00
09/09/08	2-0657-0	VAN DYKE	\$1,500.00
10/09/08	3-1732-0	SODERQUIST	\$1,500.00
10/28/08	1-2324-0	HALE	\$1,500.00

2008 TOTAL			\$27,000.00
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**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-9 **Ref: Application, Exhibits HBWC 9.5 and 9.6.**

Please provide a complete copy of the Company's federal and
Hawaii income tax returns for the years 2007 through 2008.

RESPONSE: See Attachment CA-IR-9.

SPONSOR: **Robert O'Brien**

ATTACHMENT
CA-IR-9

2007
FORM
N-30

STATE OF HAWAII — DEPARTMENT OF TAXATION
CORPORATION INCOME TAX RETURN
For calendar year 2007 or other tax year

DO NOT WRITE OR STAPLE IN THIS SPACE

COPY

(REV. 2007)

beginning •

, 2007 and ending •

• PRINT OR TYPE •	Name HAWAIIAN BEACHES WATER CO., INC.		PNT		INT	
	Dba or C/O		Federal Employer Identification Number 42-1727155			
	Address (number and street) P O BOX 22		Business Code Number (Use number shown on Federal Form 1120 or 1120A) 221300			
	City or town, State, and ZIP Code. If this is a foreign address, see instructions. PAHOA, HI 96778		Date business began in Hawaii 4/01/07			
THIS RETURN IS (CHECK BOX, IF APPLICABLE): <input type="checkbox"/> For a multi-state corporation using separate accounting. <input type="checkbox"/> A combined return of a unitary group of corporations. (See instructions) <input type="checkbox"/> A separate return of a member corporation of a unitary group. (See instructions) <input type="checkbox"/> A consolidated return. (Domestic (Hawaii) corporations only.) (Attach a copy of Hawaii Forms N-303 and N-304 for each subsidiary)						
FOR LINES 1 - 5 AND 7 - 10, ENTER AMOUNTS FROM COMPARABLE LINES ON FEDERAL RETURN.						
TAXABLE INCOME	1a	Gross receipts or sales	\$ • 355,350.	b	Less returns and allowances	\$ •
	2	Cost of goods sold and/or operations		c	Balance	
	3	Interest		1c		355,350.
	4	Gross rents		2		119,932.
	5	Gross royalties		3		8.
	6a	Capital gain net income (attach Hawaii Schedule D)		4		
	6b	Net gain or (loss) from Hawaii Schedule D-1, Part II, line 19 (attach Schedule D-1)		5		
	7	Other income		6a		
	8	TOTAL INCOME		6b		
	9	TOTAL DEDUCTIONS		7		
10	Taxable income before Hawaii adjustments — Line 8 minus line 9. Enter here and on Schedule J, line 1.		8		235,426.	
TAX AND TAX PAYMENTS	11	TOTAL TAX (Schedule J, line 22)		9		315,042.
	12	Total nonrefundable credits from Schedule CR, line 14	12	10		-79,616.
	13	Balance (line 11 minus line 12, but not less than zero)		11		0.
	14a	2006 overpayment allowed as a credit	14a	12		
	b	2007 estimated tax payments (include any Form N-288A payments net of any Form N-288C refunds)	14b	13		0.
	c	Payments with extension (attach Form N-301)	14c	14a		
	d	Total refundable credits from Schedule CR, line 22	14d	b		
	e	Total (Add lines 14a through 14d)		c		
	15	Estimated tax penalty (see Instructions). Check if Form N-220 is attached		d		
	16	TAX DUE (If the total of lines 13 and 15 are larger than line 14e, enter AMOUNT OWED)		e		0.
17	OVERPAYMENT (if line 14e is larger than the total of lines 13 and 15), enter AMOUNT OVERPAID.		15			
18	Enter amount of line 17 you want Credited to 2008 estimated tax	18a	16		0.	
19	Amount paid (overpaid) on original return — AMENDED RETURN ONLY (See Instructions).		17			
20	BALANCE DUE (REFUND) with amended return (See Instructions).		18b			
21	If you don't need Hawaii income tax forms mailed to you next year, check here to receive a preprinted label only <input checked="" type="checkbox"/> X					
Please Sign Here	I declare, under the penalties set forth in section 231-36, HRS, that this return (including accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
	Signature of officer			Date		
	Print or type name of officer			Title		
	★ May the Hawaii Department of Taxation discuss this return with the preparer shown below? (see the Instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No This designation does not replace Form N-848, Power of Attorney.					
Paid Preparer's Information	Preparer's Signature		Date	Preparer's Identification Number		
	Print Preparer's Name			P00153638		
	Firm's name (or yours if self-employed) address and ZIP code		Federal EIN	33-0055440		
		Phone No		(714) 536-4418		

Mail or deliver return and remittance to the Hawaii Department of Taxation. Make remittance payable to HAWAII STATE TAX COLLECTOR.

FORM
N-30
(REV. 2008)STATE OF HAWAII — DEPARTMENT OF TAXATION
CORPORATION INCOME TAX RETURN

ID NO 50

DO NOT WRITE OR STAPLE IN THIS SPACE



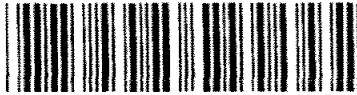
CALENDAR YEAR 2008

COPY

CBT081

or other tax year beginning • _____, 2008 and ending • _____

PRINT OR TYPE	Name HAWAIIAN BEACHES WATER CO., INC.	PNT	INT	
	DBA or C/O	Federal Employer Identification Number 42-1727155		
	Address (number and street) P O BOX 22	Business Code Number (Use number shown on federal Form 1120 or 1120A) 221300		
	City or town, State, and ZIP Code. If this is a foreign address, see instructions PAHOA, HI 96778	Date business began in Hawaii 4/01/07		
THIS RETURN IS (CHECK BOX, IF APPLICABLE):				
<input type="checkbox"/> For a multi-state corporation using separate accounting. <input type="checkbox"/> A combined return of a unitary group of corporations. (See instructions) <input type="checkbox"/> A separate return of a member corporation of a unitary group. (See instructions) <input type="checkbox"/> A consolidated return. (Domestic (Hawaii) corporations only.) (Attach a copy of Hawaii Forms N-303 and N-304 for each subsidiary)				
Hawaii Business Activity PUBLIC UTILITY				
FOR LINES 1 - 5 AND 7 - 10, ENTER AMOUNTS FROM COMPARABLE LINES ON FEDERAL RETURN.				
TAXABLE INCOME	1a Gross receipts or sales \$ 641,557.	b Less returns and allowances \$	c Balance	
	2 Cost of goods sold and/or operations	2c	641,557.	
	3 Interest	3c	187,314.	
	4 Gross rents	4c	531.	
	5 Gross royalties	5c		
	6a Capital gain net income (attach Hawaii Schedule D)	6a		
	b Net gain or (loss) from Hawaii Schedule D-1, Part II, line 19 (attach Schedule D-1)	6b		
	7 Other income	7c		
	8 TOTAL INCOME	8c	454,774.	
	9 TOTAL DEDUCTIONS	9c	564,439.	
10 Taxable income before Hawaii adjustments — Line 8 minus line 9. Enter here and on Schedule J, line 1.	10	-109,665.		
TAX AND TAX PAYMENTS	11 TOTAL TAX (Schedule J, line 22)	11	0.	
	12 Total nonrefundable credits from Schedule CR, line 14	12		
	13 Balance (line 11 minus line 12, but not less than zero)	13	0.	
	14a 2007 overpayment allowed as a credit	14a		
	b 2008 estimated tax payments (include any Form N-288A payments net of any Form N-288C refunds)	14b		
	c Payments with extension (attach Form N-301)	14c		
	d Total refundable credits from Schedule CR, line 21	14d		
	e Total (Add lines 14a through 14d)	14e	0.	
	15 Estimated tax penalty (see instructions). Check if Form N-220 is attached	15		
	16 TAX DUE (If the total of lines 13 and 15 are larger than line 14e, enter AMOUNT OWED)	16	0.	
17 OVERPAYMENT (If line 14e is larger than the total of lines 13 and 15), enter AMOUNT OVERPAID.	17			
18 Enter amount of line 17 you want Credited to 2009 estimated tax. Refunded	18a			
18b				
19 Amount paid (overpaid) on original return — AMENDED RETURN ONLY (See instructions)	19			
20 BALANCE DUE (REFUND) with amended return (See instructions)	20			
Please Sign Here	I declare, under the penalties set forth in section 231-36, HRS, that this return (including any accompanying schedules or statements) has been examined by me and, to the best of my knowledge and belief, is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer _____ Date _____			
	Print or type name of officer _____ Title SECRETARY			
	* May the Hawaii Department of Taxation discuss this return with the preparer shown below? (see the instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
	This designation does not replace Form N-848, Power of Attorney.			
	Paid Preparer's Information	Preparer's Signature and date CHRISTIAN E. ALDINGER CPA	Preparer's Identification Number P00153638	Check if self-employed <input type="checkbox"/>
		Firm's name (or yours if self-employed) PEASLEY, ALDINGER & O'BYMACHOW	Federal EIN 33-0055440	
		Address and ZIP Code 2120 MAIN STREET SUITE 265		
		HUNTINGTON BEACH, CA 92648	Phone no. (714) 536-4418	



CBT082

Name as shown on return

Federal Employer
Identification Number

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

Schedule C Income From Dividends (Classified for Hawaii Purposes)				
1 Name of declaring corporation (Attach a separate sheet if more space is needed.)	2 National Bank Associations or certain high technology businesses	3 Received from an affiliate (including foreign) as IRC section 243(b) qualifying dividend	4 Received by a Small Business Investment Co. operating under Small Business Investment Act	5 Columns 2 through 4 and all other dividends
6 Total dividends. (Subtotal of column 5).....				
7 Sum of columns 2 through 4.....				
8 Subtotal. Line 6 minus line 7.....				
9 Multiply line 8 by .30 (30%).....				
10 Taxable mutual funds dividends.....				
11 Total taxable dividends. Line 9 plus line 10.....				

Schedule J Adjustments to Income for Hawaii Purposes and Tax Computation	
1 Taxable income or loss before Hawaii adjustments from page 1, line 10 (Unitary business taxpayers, see Instructions).....	1 -109,665.
ADD: ADJUSTMENTS	
2a Taxable dividends from Schedule C, Line 11.....	2a
b Deduction allowable for federal tax purposes but not allowable or allowable only in part for Hawaii tax purposes (attach schedule).....	2b
c The portion of the Hawaii jobs credit from Schedule CR, line 5 (see Instructions).....	2c
d Other adjustments (attach schedule).....	2d 101,971.
SEE STATEMENT 1	
3 Total adjustments (Add lines 2a, 2b, 2c and 2d).....	3 101,971.
4 Total of lines 1 and 3.....	4 -7,694.
DEDUCT:	
5 Entire dividends as reported on federal return and included on page 1, line 8.....	5
6 Interest on obligations of the United States included on page 1, line 8.....	6
7 Net income from sources outside Hawaii received by a foreign or domestic corporation, except for unitary business taxpayers using Form N-30, Schedules O and P.....	7
8 Amortization of casualty losses where election is made to amortize for Hawaii tax purposes under section 235-7(f), HRS (attach explanation).....	8
9 Net operating loss deduction (under Section 235-7(d), HRS) (attach schedule).....	9 79,616.
10 Other deductions or adjustments (attach schedule).....	10
11 Total of lines 5 to 10 inclusive.....	11 79,616.
12 Taxable income or loss for Hawaii tax purposes (In 4 minus In 11).....	12 -87,310.
TAX COMPUTATION	
13 Enter the amount of net capital gains as shown on Schedule D, line 18. (Schedules O and P taxpayers, see Instructions).....	13 0.
14 Line 12 minus line 13 (if less than zero, enter zero).....	14 0.
15a Tax on capital gain, line 13 — enter 4% of amount on line 13.....	15a 0.
b Tax on all other taxable income, line 14 — If the amount on line 14 is:	
(i) Not over \$25,000 — Enter 4.4% of line 14.....	15b (i)
(ii) Over \$25,000 but not over \$100,000 — Enter 5.4% of line 14..... \$..... Subtract \$250.00 and enter difference.....	15b (ii)
(iii) Over \$100,000 — Enter 6.4% of line 14. \$..... Subtract \$1,250.00 and enter difference.....	15b (iii)
c Total of lines 15a and 15b.....	15c 0.
d Using the rates listed on line 15b, compute tax on all taxable income using amount from line 12.....	15d 0.
16 Total tax (enter lesser of line 15c or 15d).....	16 0.
17 Recapture of Capital Goods Excise Tax Credit from Form N-312, Part II.....	17
18 Recapture of Low-Income Housing Tax Credit from Form N-586, Part III.....	18
19 Recapture of High Technology Business Investment Tax Credit from Form N-318, Part III.....	19
20 Recapture of Tax Credit for Flood Victims from Form N-338.....	20
21 Total recapture of tax credits (Add lines 17, 18, 19 and 20).....	21 0.
22 Total tax (Add lines 16 and 21) Enter here and on page 1, line 11.....	22 0.

Form **4562**Department of the Treasury
Internal Revenue Service (99)HAWAII FORM 4562
Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2008Attachment
Sequence No. **67**

Name(s) shown on return

HAWAIIAN BEACHES WATER CO., INC.

Identifying number

42-1727155

Business or activity to which this form relates

FORM 1120

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	\$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	800.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008.	17	8,330.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		215,313.	5	MQ	200DB	11,375.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property	VARIOUS	2,919.	39 yrs	MM	S/L	28.
				MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.	21	8,865.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	29,398.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).								25
26 Property used more than 50% in a qualified business use:								
NISSAN	4/04/06	100.0	30,512.	30,512.	5.0	200DB HY	2,850.	
1994 CHEV UT	2/29/08	100.0	6,500.	6,500.	5.0	200DB MQ	2,275.	
2003 FORD EX	9/23/05	100.0	18,700.	18,700.	5.0	S/L HY	3,740.	
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28 8,865.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29 0.

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	9,000	400	7,200			
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32	9,000	400	7,200			
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?	X		X	X		
35 Was the vehicle used primarily by a more than 5% owner or related person?	X		X	X		
36 Is another vehicle available for personal use?	X		X	X		

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions):					
43 Amortization of costs that began before your 2008 tax year					43 17,326.
44 Total. Add amounts in column (f). See the instructions for where to report.					44 17,326.

2008

HAWAII STATEMENTS

PAGE 1

CLIENT HAWBEA2

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

3/14/09

08:54AM

STATEMENT 1
FORM N-30, SCHEDULE J, LINE 2(D)
OTHER ADDITIONS

FEDERAL DEPRECIATION IN EXCESS OF STATE	\$	101,971.
TOTAL	\$	<u>101,971.</u>

STATEMENT 2
FORM N-30, SCHEDULE J, LINE 9
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END	12/31/07	\$	79,616.
AVAILABLE FOR CARRYOVER TO 2008			79,616.
TOTAL NET OPERATING LOSS DEDUCTION		\$	<u>0.</u>

Form **1120**
Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**
For calendar year 2007 or tax year beginning _____, 2007, ending _____
▶ See separate instructions.

OMB No. 1545-0123

2007**A Check if:**

- 1 **a** Consolidated return (attach Form 951) ☐
- b** Life/nonlife consolidated return ☐
- 2 Personal holding co (attach Sch PH) ☐
- 3 Personal service corp (see instr) ☐
- 4 Schedule M-3 attached ☐

Use IRS label. Otherwise, print or type.

HAWAIIAN BEACHES WATER CO., INC.
P O BOX 22
PAHOA, HI 96778**B Employer identification number**

42-1727155

C Date incorporated

4/01/2007

D Total assets (see instructions)

\$ 524,276.

E Check if: (1) ☒ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

INCOME	1 a Gross receipts or sales	355,350.	1 c Balance	355,350.
	2 Cost of goods sold (Schedule A, line 8)		2	119,932.
	3 Gross profit. Subtract line 2 from line 1c		3	235,418.
	4 Dividends (Schedule C, line 19)		4	
	5 Interest		5	8.
	6 Gross rents		6	
	7 Gross royalties		7	
	8 Capital gain net income (attach Schedule D (Form 1120))		8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	
	10 Other income (see instructions — attach schedule)		10	
	11 Total income. Add lines 3 through 10		11	235,426.
DEDUCTIONS	12 Compensation of officers (Schedule E, line 4)		12	
	13 Salaries and wages (less employment credits)		13	149,912.
	14 Repairs and maintenance		14	3,157.
	15 Bad debts		15	
	16 Rents		16	106.
	17 Taxes and licenses		17	14,993.
	18 Interest		18	13,943.
	19 Charitable contributions		19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		20	17,755.
	21 Depletion		21	
	22 Advertising		22	
	23 Pension, profit-sharing, etc. plans		23	
	24 Employee benefit programs		24	21,411.
	25 Domestic production activities deduction (attach Form 8903)		25	
	26 Other deductions (attach schedule)	SEE STATEMENT 1	26	93,765.
	27 Total deductions. Add lines 12 through 26		27	315,042.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	-79,616.
29 Less: a Net operating loss deduction (see instructions)	29a			
b Special deductions (Schedule C, line 20)	29b			
29c				
30 Taxable income. Subtract line 29c from line 28 (see instructions)		30	-79,616.	
31 Total tax (Schedule J, line 10)		31	0.	
TAX AND PAYMENTS	32 a 2006 overpayment credited to 2007	32a		
	b 2007 estimated tax payments	32b		
	c 2007 refund applied for on Form 4466	32c		
	d Tax deposited with Form 7004	32d	0.	
	e Tax deposited with Form 7004	32e		
	f Credits: (1) Form 2439 (2) Form 4136	32f		
	32g		0.	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached	33		
	34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed	34	0.	
	35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid	35		
36 Enter amount from line 35 you want: Credited to 2008 estimated tax	36			
Refunded				

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

SECRETARY

Title

May the IRS discuss this return with the preparer shown below (see instructions)?

☒ Yes ☐ No**Paid Preparer's Use Only**

Preparer's signature

CHRISTIAN L. ALDINGER CPA

Date

4-8-08

Check if self-employed

Preparer's SSN or PTIN

P00153638

Firm's name (or yours if self-employed), address, and ZIP code

PEASLEY, ALDINGER & O'BRYEN
2120 MAIN STREET SUITE 265
HUNTINGTON BEACH, CA 92648

EIN 33-0055440

Phone no. (714) 536-4418

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

CPA0205L 12/27/07

Form 1120 (2007)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	119,932.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	119,932.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	119,932.

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost
 (ii) ☐ Lower of cost or market
 (iii) ☐ Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO.

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation

☐ Yes ☒ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Form 1120 (2007) HAWAIIAN BEACHES WATER CO., INC. 42-1727155

Page 3

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)).	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions).	<input type="checkbox"/>	2 0.
3	Alternative minimum tax (attach Form 4626).		3
4	Add lines 2 and 3.		4 0.
5a	Foreign tax credit (attach Form 1118).	5a	
b	Credits from Forms 5735 and 8834.	5b	
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846	5c	
d	Credit for prior year minimum tax (attach Form 8827).	5d	
e	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912.	5e	
6	Total credits. Add lines 5a through 5e.	6	
7	Subtract line 6 from line 4.	7	
8	Personal holding company tax (attach Schedule PH (Form 1120)).	8	
9	Other taxes. <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 Check if from: <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (att schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31.	10	0.

Schedule K Other Information (see instructions)

	Yes	No		Yes	No
1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____				
2	See the instructions and enter the: a Business activity code no. <u>221300</u> b Business activity <u>PUBLIC UTILITY</u> c Product or service <u>WATER SERVICE</u>				
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deduction of such corporation for the tax year ending with or within your tax year.		X		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X		
5	At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned _____		X		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If 'Yes,' file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X		
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If 'Yes,' enter: (a) Percentage owned _____ and (b) Owner's country _____			X	
8	The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached. _____				
9	Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.				
10	Enter the amount of tax-exempt interest received or accrued during the tax year. \$ <u>NONE</u>				
11	Enter the number of shareholders at the end of the tax year (if 100 or fewer). _____				
12	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. <input checked="" type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.				
13	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <u>NONE</u>				
14	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____			X	

BAA

Form 1120 (2007)

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				118,698.
2a	Trade notes and accounts receivable			24,896.	
b	Less allowance for bad debts				24,896.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets			430,540.	
b	Less accumulated depreciation			217,820.	212,720.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach schedule) SEE ST. 2				167,962.
15	Total assets		0.		524,276.
Liabilities and Shareholders' Equity					
16	Accounts payable				3,777.
17	Mortgages, notes, bonds payable in less than 1 year				123,618.
18	Other current liabilities (attach sch.) SEE ST. 3				519,966.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule) SEE ST. 4				51,187.
22	Capital stock: a Preferred stock				
b	Common stock			174,075.	174,075.
23	Additional paid-in capital				
24	Retained earnings — Approp (att sch)				
25	Retained earnings — Unappropriated				-348,347.
26	Adjmnt to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		0.		524,276.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1	Net income (loss) per books	-72,286.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$ 5,665.		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contribns \$	
c	Travel & entertainment \$			SEE STMT 5 12,995.	
		5,665.			12,995.
6	Add lines 1 through 5	-66,621.	9	Add lines 7 and 8	12,995.
			10	Income (page 1, line 28) — line 6 less line 9	-79,616.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year		5	Distributions	a Cash
2	Net income (loss) per books	-72,286.		b Stock	c Property
3	Other increases (itemize):		6	Other decreases (itemize):	
				STATEMENT 6	276,061.
4	Add lines 1, 2, and 3	-72,286.	7	Add lines 5 and 6	276,061.
			8	Balance at end of year (line 4 less line 7)	-348,347.

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2007Attachment
Sequence No. **67**

Name(s) shown on return

HAWAIIAN BEACHES WATER CO., INC.

Identifying number

42-1727155

Business or activity to which this form relates

FORM 1120**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	600.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	9,224.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B — Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		767.	5	HY	200DB	154.
c 7-year property		217.	7	HY	200DB	31.
d 10-year property						
e 15-year property		3,512.	15	HY	150DB	132.
f 20-year property						
g 25-year property		435.	25 yrs	HY	S/L	9.
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year			12 yrs	S/L	
c 40-year			40 yrs	MM	S/L

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	7,605.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	17,755.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		24b If 'Yes,' is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25	
26 Property used more than 50% in a qualified business use:								
NISSAN	4/04/06	100.0	30,512.	30,512.	5.0	200DB HY	4,800.	
2003 FORD EX	9/23/05	100.0	18,700.	18,700.	5.0	S/L HY	2,805.	
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	7,605.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	0.

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	7,200	8,500				
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32	7,200	8,500				
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?	X		X			
35 Was the vehicle used primarily by a more than 5% owner or related person?	X		X			
36 Is another vehicle available for personal use?	X		X			

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
ACQ ADJUSTMENT/ GOODWILL	4/01/07	259,894.	197	15	12,995.
43 Amortization of costs that began before your 2007 tax year					
44 Total. Add amounts in column (f). See the instructions for where to report.					12,995.

2007

FEDERAL STATEMENTS

PAGE 1

CLIENT HAWBEA2

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

9/08/08

01:52PM

STATEMENT 1
FORM 1120, LINE 26
OTHER DEDUCTIONS

ACCOUNTING	\$	2,842.
AMORTIZATION		12,995.
AUTO AND TRUCK		11,027.
BANK CHARGES		17,371.
CAPITALIZED EXPENSES		-16,461.
DUES AND SUBSCRIPTIONS		1,337.
INSURANCE		11,853.
LEGAL AND PROFESSIONAL		2,300.
MISC EXPENSES: CLASSES		2,499.
MISC EXPENSES: DATA PROCESSING/BILLING		1,726.
MISC EXPENSES: PERMITS		275.
NON UTILITY COSTS		3,620.
OFFICE EXPENSE		5,247.
OTHER		4,454.
OUTSIDE SERVICES		100.
POSTAGE		4,231.
REGULATORY COMMISSION EXPENSES - AMORT OF RATE CASE		22,109.
SUPPLIES		253.
TELEPHONE		3,955.
UTILITIES		2,032.
TOTAL	\$	<u>93,765.</u>

STATEMENT 2
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
CWIP	\$ 0.	\$ 101,633.
DEF DEBITS - RATE CASE COSTS	0.	66,327.
ROUNDING	0.	2.
TOTAL	\$ 0.	<u>\$ 167,962.</u>

STATEMENT 3
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
CUSTOMER DEPOSITS	\$ 0.	\$ 12,089.
FEDERAL WITHHOLDINGS PAYABLE	0.	2,467.
FUTA PAYABLE	0.	5.
NOTE PAYABLE - BALONNE PLAINS	0.	489,425.
PAYROLL TAXES PAYABLE: FICA/MC TAXES PAYABLE	0.	2,395.
PAYROLL TAXES PAYABLE: HAWAII UNEMPL PAYABLE	0.	910.
PAYROLL TAXES PAYABLE: HAWAII WITHHOLDING PAYABLE	0.	971.
SDI PAYABLE	0.	279.
TAXES PAYABLE - PUB SVC CO	0.	11,425.
TOTAL	\$ 0.	<u>\$ 519,966.</u>

2007

FEDERAL STATEMENTS

PAGE 2

CLIENT HAWBEA2

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

9/08/08

01:52PM

STATEMENT 4
FORM 1120, SCHEDULE L, LINE 21
OTHER LIABILITIES

	BEGINNING	ENDING
ACCUM AMORT OF CIAC.....	\$ 0.	\$ -1,313.
CONTRIBUTIONS IN AID OF CONSTRUCTION.....	0.	52,500.
TOTAL	\$ 0.	\$ 51,187.

STATEMENT 5
FORM 1120, SCHEDULE M-1, LINE 8
DEDUCTIONS NOT ON BOOKS

SEC 197 AMORTIZATION OF ACQ ADJ.....	\$ 12,995.
TOTAL	\$ 12,995.

STATEMENT 6
FORM 1120, SCHEDULE M-2, LINE 6
OTHER DECREASES

ACQUISITION ADJUSTMENT.....	\$ 259,894.
MILLER & LEIB ACQ WRITE DOWN.....	16,167.
TOTAL	\$ 276,061.

Form **7004**(Rev. December 2007)
Department of the Treasury
Internal Revenue Service**Application for Automatic 6-Month Extension of Time To File
Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

▶ **File a separate application for each return.****Type or
Print**

Name

Identifying number

HAWAIIAN BEACHES WATER CO., INC.**42-1727155**

Number, street, and room or suite number. (If P.O. box, see instructions.)

File by the due
date for the
return for which
an extension is
requested. See
instructions.**P O BOX 22**

City, town, state, and ZIP code. (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).

PAHOA, HI 96778**Note. See instructions before completing this form.**

- 1 Enter the form code for the return that this application is for (see below). 12
- 2 If the foreign corporation does not have an office or place of business in the United States, check here. ▶ ☐
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here. ▶ ☐
- 4a The application is for calendar year 20 07, or tax year beginning _____, 20 __, and ending _____, 20 __.
- b **Short tax year.** If this tax year is less than 12 months, check the reason:
☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed
- 5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here. ▶ ☐
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 6 Tentative total tax 6 0.
- 7 Total payments and credits (see instructions) 7 0.
- 8 **Balance due.** Subtract line 7 from line 6. **Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW)** (see instructions for exceptions). 8 0.

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 7004 (Rev. 12-2007)

Form **1120**
Department of the Treasury
Internal Revenue Service**U.S. Corporation Income Tax Return**
For calendar year 2008 or tax year beginning _____, 2008, ending _____
▶ See separate instructions.

OMB No. 1545-0123

2008

A Check if: 1 a Consolidated return (attach Form 951) <input type="checkbox"/> b Life/short-term consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch PH) <input type="checkbox"/> 3 Personal service corp. (see instr.) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>		Use IRS label. Otherwise, print or type. HAWAIIAN BEACHES WATER CO., INC. P O BOX 22 PAHOA, HI 96778	B Employer identification number 42-1727155 C Date incorporated 4/01/2007 D Total assets (see instructions) \$ 1,502,669.
E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change			
I N C O M E	1 a Gross receipts or sales. 641,557. b Less returns & allowances. c Balance. ▶	1 c	641,557.
	2 Cost of goods sold (Schedule A, line 8)	2	187,314.
	3 Gross profit. Subtract line 2 from line 1c.	3	454,243.
	4 Dividends (Schedule C, line 19)	4	
	5 Interest	5	531.
	6 Gross rents	6	
	7 Gross royalties	7	
	8 Capital gain net income (attach Schedule D (Form 1120))	8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	
	10 Other income (see instructions — attach schedule)	10	
	11 Total income. Add lines 3 through 10. ▶	11	454,774.
D E D U C T I O N S	12 Compensation of officers (Schedule E, line 4)	12	130,224.
	13 Salaries and wages (less employment credits)	13	77,416.
	14 Repairs and maintenance	14	849.
	15 Bad debts	15	
	16 Rents	16	
	17 Taxes and licenses	17	38,125.
	18 Interest	18	84,125.
	19 Charitable contributions	19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)	20	131,369.
	21 Depletion	21	
	22 Advertising	22	
	23 Pension, profit-sharing, etc. plans	23	
	24 Employee benefit programs	24	25,722.
	25 Domestic production activities deduction (attach Form 8903)	25	
	26 Other deductions (attach schedule)	26	76,609. SEE STATEMENT 1
	27 Total deductions. Add lines 12 through 26. ▶	27	564,439.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	-109,665.
29 Less: a Net operating loss deduction (see instructions)	29 a	0.	
b Special deductions (Schedule C, line 20)	29 b		
29 c			
T A X R E F U N D A B L E P A Y M E N T S C R E D I T S	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30	-109,665.
	31 Total tax (Schedule J, line 10)	31	0.
	32 a 2007 overpayment credited to 2008. 32 a		
	b 2008 estimated tax payments. 32 b		
	c 2008 refund applied for on Form 4466. 32 c		
	d Tax deposited with Form 7004. 32 d		0.
	e Credits. (1) Form 2439 (2) Form 4136 32 e		
	f Refundable credits from Form 3800, line 19c, and Form 8827, line 8c. 32 f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c. 32 g		0.
	32 h		
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached. ▶ <input type="checkbox"/>	33	
34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed.	34	0.	
35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid.	35		
36 Enter amount from line 35 you want: Credited to 2009 estimated tax	36		
		Refunded ▶	

Sign Here ▶ Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: CHRISTIAN L. ALDINGER CPA Date: 3-14-09 Title: SECRETARY

Preparer's signature: CHRISTIAN L. ALDINGER CPA Date: 3-14-09 Check if self-employed ☐ Preparer's SSN or PTIN: P00153638

Paid Preparer's Use Only Firm's name (or yours if self-employed), address, and ZIP code: PEASLEY, ALDINGER & O'BYMACHOW
2120 MAIN STREET SUITE 265
HUNTINGTON BEACH, CA 92648 EIN: 33-0055440 Phone no.: (714) 536-4418

**CONFIDENTIAL
SUBJECT TO
PROTECTIVE ORDER**

1	Inventory at beginning of year	1	
2	Purchases	2	187,314.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	187,314.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	187,314.

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

Schedule C	Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		SEE INSTR.	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
	KATHERINE PRESCOTT		100 %	50.00 %	0.00 %	
	MARK PRESCOTT		100 %	50.00 %	0.00 %	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Form 1120 (2008)

Form 1120 (2008) HAWAIIAN BEACHES WATER CO., INC. 42-1727155

Page 3

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)).....	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions).....	<input type="checkbox"/>	2	0.
3	Alternative minimum tax (attach Form 4626).....		3	
4	Add lines 2 and 3.....		4	0.
5a	Foreign tax credit (attach Form 1118).....	5a		
b	Credit from Form 8834.....	5b		
c	General business credit (attach Form 3800).....	5c		
d	Credit for prior year minimum tax (attach Form 8827).....	5d		
e	Bond credits from Form 8912.....	5e		
6	Total credits. Add lines 5a through 5e.....		6	
7	Subtract line 6 from line 4.....		7	
8	Personal holding company tax (attach Schedule PH (Form 1120)).....		8	
9	Other taxes. <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 Check if from: <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (att schedule).....		9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31.....		10	0.

Schedule K Other Information (see instructions)

1	Check accounting method a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No			
2	See the instructions and enter the: a Business activity code no. <u>221300</u> b Business activity <u>PUBLIC UTILITY</u> c Product or service <u>WATER SERVICE</u>					
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X			
4	At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v).		X			
		(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock
		b Did any individual or estate own, directly 20% or more, or own directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv).				
		(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock	
		KATHERINE PRESCOTT	218-39-6625	UNITED STATES	50.00%	
		MARK PRESCOTT	218-39-6628	UNITED STATES	50.00%	

BAA

Form 1120 (2008)

1120 (2008) HAWAIIAN BEACHES WATER CO., INC. 42-1727155

Page 5

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		118,698.		8,156.
2a	Trade notes and accounts receivable	24,896.		45,690.	
b	Less allowance for bad debts		24,896.		45,690.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule) SEE ST. 3				2.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	430,540.		655,270.	
b	Less accumulated depreciation	217,820.	212,720.	257,824.	397,446.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach schedule) SEE ST. 4		167,962.		1,051,375.
15	Total assets		524,276.		1,502,669.
Liabilities and Shareholders' Equity					
16	Accounts payable		3,777.		38,974.
17	Mortgages, notes, bonds payable in less than 1 year		123,618.		80,662.
18	Other current liabilities (attach sch.) SEE ST. 5		519,966.		19,679.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				1,422,488.
21	Other liabilities (attach schedule) SEE ST. 6		51,187.		66,112.
22	Capital stock: a Preferred stock				
b	Common stock	174,075.	174,075.	221,225.	221,225.
23	Additional paid-in capital				
24	Retained earnings — Appropriated (att sch)				
25	Retained earnings — Unappropriated		-348,347.		-346,471.
26	Adjustment to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		524,276.		1,502,669.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1	Net income (loss) per books	1,876.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	94,215.
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel & entertainment \$		SEE STMT 7		17,326.
					111,541.
6	Add lines 1 through 5	1,876.	9	Add lines 7 and 8	111,541.
			10	Income (page 1, line 28) — line 6 less line 9	-109,665.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-348,347.	5	Distributions: a Cash	
2	Net income (loss) per books	1,876.	b	Stock	
3	Other increases (itemize):		c	Property	
			6	Other decreases (itemize):	
4	Add lines 1, 2, and 3	-346,471.	7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	-346,471.

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2008Attachment
Sequence No. **67**

Name(s) shown on return

HAWAIIAN BEACHES WATER CO., INC.

Identifying number

42-1727155

Business or activity to which this form relates

FORM 1120

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	107,658.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	800.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	8,330.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		107,655.	5	MO	200DB	5,688.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property	VARIOUS	2,919.	39 yrs	MM	S/L	28.

Section C — Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	8,865.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	131,369.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

4562 (2008) HAWAIIAN BEACHES WATER CO., INC.

42-1727155

Page 2

Part V**Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

24a Do you have evidence to support the business/investment use claimed?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		24b If 'Yes,' is the evidence written?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).									25		
26 Property used more than 50% in a qualified business use:											
NISSAN	4/04/06	100.0	30,512.	30,512.	5.0	200DB HY	2,850.				
1994 CHEV UT	2/29/08	100.0	6,500.	6,500.	5.0	200DB MQ	2,275.				
2003 FORD EX	9/23/05	100.0	18,700.	18,700.	5.0	S/L HY	3,740.				
27 Property used 50% or less in a qualified business use:											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.									28	8,865.	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.									29	0.	

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	30 Total business/investment miles driven during the year (do not include commuting miles)	9,000		400		7,200						
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32	9,000		400		7,200							
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?	X			X	X							
35 Was the vehicle used primarily by a more than 5% owner or related person?	X			X	X							
36 Is another vehicle available for personal use?	X		X		X							

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2008 tax year (see instructions):						
43 Amortization of costs that began before your 2008 tax year.					43	17,326.
44 Total. Add amounts in column (f). See the instructions for where to report.					44	17,326.

2008

FEDERAL STATEMENTS

PAGE 1

CLIENT HAWBEA2

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

3/14/09

08:54AM

STATEMENT 1
FORM 1120, LINE 26
OTHER DEDUCTIONS

ACCOUNTING	\$ 9,979.
AMORTIZATION	17,326.
AUTO AND TRUCK	20,853.
BANK CHARGES	9,734.
DUES AND SUBSCRIPTIONS	787.
INSURANCE	25,867.
LEGAL AND PROFESSIONAL	1,096.
MISC EXPENSES: CLASSES	1,645.
MISC EXPENSES: DATA PROCESSING/BILLING	2,258.
MISC EXPENSES: OTHER	2,246.
MISC EXPENSES: PERMITS	175.
NON UTILITY COSTS	35.
OFFICE EXPENSE	4,548.
POSTAGE	4,202.
REGULATORY COMMISSION EXPENSES - AMORT OF RATE CASE	44,218.
SUPPLIES	54.
TELEPHONE	5,960.
UTILITIES	3,138.
2 CAPITALIZED EXPENSES	-77,512.
TOTAL	\$ 76,609.

STATEMENT 2
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

CARRYOVER GENERATED FROM YEAR END 12/31/07	\$ 79,616.
AVAILABLE FOR CARRYOVER TO 2008	79,616.
NET OPERATING LOSSES AVAILABLE IN 2008	\$ 79,616.
TAXABLE INCOME	-109,665.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME)	<u>0.</u>

STATEMENT 3
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	<u>BEGINNING</u>	<u>ENDING</u>
STATE PAYROLL TAXES RECEIVABLE	\$ 0.	\$ 2.
TOTAL	<u>\$ 0.</u>	<u>\$ 2.</u>

2008

FEDERAL STATEMENTS

PAGE 2

CLIENT HAWBEA2

HAWAIIAN BEACHES WATER CO., INC.

42-1727155

3/14/09

08:54AM

STATEMENT 4
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
CWIP	\$ 0.	\$ 1,029,264.
CWIP	101,633.	0.
DEF DEBITS - RATE CASE COSTS	0.	22,109.
DEF DEBITS - RATE CASE COSTS	66,327.	0.
ROUNDING	0.	2.
ROUNDING	2.	0.
TOTAL	\$ 167,962.	\$ 1,051,375.

STATEMENT 5
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
CUSTOMER DEPOSITS	\$ 12,089.	\$ 11,642.
FEDERAL WITHHOLDINGS PAYABLE	2,467.	2,716.
FUTA PAYABLE	5.	376.
NOTE PAYABLE - BALONNE PLAINS	489,425.	0.
PAYROLL TAXES PAYABLE: FICA/MC TAXES PAYABLE	2,395.	3,166.
PAYROLL TAXES PAYABLE: HAWAII UNEMPL PAYABLE	910.	339.
PAYROLL TAXES PAYABLE: HAWAII WITHHOLDING PAYABLE	971.	1,161.
SDI PAYABLE	279.	279.
TAXES PAYABLE - PUB SVC CO	11,425.	0.
TOTAL	\$ 519,966.	\$ 19,679.

STATEMENT 6
FORM 1120, SCHEDULE L, LINE 21
OTHER LIABILITIES

	BEGINNING	ENDING
ACCUM AMORT OF CIAC	\$ -1,313.	\$ -4,388.
CONTRIBUTIONS IN AID OF CONSTRUCTION	52,500.	70,500.
TOTAL	\$ 51,187.	\$ 66,112.

STATEMENT 7
FORM 1120, SCHEDULE M-1, LINE 8
DEDUCTIONS NOT ON BOOKS

SEC 197 AMORTIZATION OF ACQ ADJ	\$ 17,326.
TOTAL	\$ 17,326.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-10

Ref: Application.

- a. Have the existing customers expressed concerns with the maintenance of the water system?

RESPONSE:

There have been some customer concerns involving two issues, which have been or are in the process of being resolved, that the Company believes are more system design-related but could be construed as relating to maintenance of the water system. First, at the beginning of 2009 some customers complained of pressure problems in the lower loops of the subdivision. Second, there have also been some complaints of odor and taste at dead ends of lines.

- b. If so, please identify the type of issues of complaints expressed and explain how each issued was resolved.

RESPONSE:

The pressure complaints identified in part (a) above were investigated and it was determined that there was a gate valve on a 4 inch main line which had seized half closed. The valve was replaced and the pressure problems were mitigated. The second issue identified in part (a) above, the taste and odor complaints, have been investigated and the Company believes these are caused by a lack of water flow

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-10 (cont.)

occurring at dead ends of streets. The Company is currently working on installing flushing valves at the dead end street locations and will commence a regular flushing program. The Company anticipates completing the installation by December 31, 2010 and commencing the program, which should resolve the problem. If the problem persists, the Company will explore other causes and remedies.

- c. Has the Company or MLW received any notice of violations from the Department of Health or other agencies for the years 2007 to 2009 to-date?

RESPONSE:

Neither the Company nor MLW have received any notice of violations from the Department of Health from 2007 to date.

- d. If so, please list the days on which such notice was received, describe the violation and explain what actions were taken to address each violation.

RESPONSE:

Not applicable. See the response to part (c) above.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-11

Ref: Application.

- a. Please provide copies of all permits the Company currently has with the State Department of Health. Please provide copies of any correspondence between the Company and the State Department of Health associated with its current permits.

RESPONSE:

The Company has no permits currently with the Department of Health. Therefore, there is no permit-related correspondence.

- b. Please provide copies of any reports filed by the Company with the State Department of Health for the years 2007 to 2009 to-date.

RESPONSE:

See Attachment CA-IR-11b for copies of reports for the years 2007 to 2009 to-date.

SPONSOR:

Robert O'Brien

ATTACHMENT
CA-IR-11b

2006 Consumer Confidence Report

Hawaiian Beaches

Is my water safe?

Last year, as in years past, your tap water met all U.S. Environmental Protection Agency (EPA) and state drinking water health standards. Local Water vigilantly safeguards its water supplies and once again we are proud to report that our system has not violated a maximum contaminant level or any other water quality standard.

Do I need to take special precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791).

Where does my water come from?

It comes from an aquifer that is replenished from the mountains of Mauna Kea and Mauna Loa. The water is accessed via a well that is approximately 400 feet deep.

Source water assessment and its availability

On April 30, 2004 the Hawaii Department Of Health Safe Drinking Water Branch and the University of Hawaii Water Resources Center completed the Hawaii Water Source Assessment Program Report for the drinking water sources throughout the State. The report is available for review at the company office.

Why are there contaminants in my drinking water?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791). The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity: microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife; inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm water runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming; pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses; organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems; and radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

How can I get involved?

As most of our customers are aware our water system is currently running at near capacity. Because of this fact, we are no longer able to connect new customers to the system and meet the water supply demands of all the customers. It is Miller and Lieb's responsibility to supply water dependably, safely, and in adequate quantities to meet the needs and requirements of our current customers. Presently, we are working to increase the service capacity of our system by establishing a new well and

additional storage facilities. With our customers using 30% more water than the national average we can easily reduce the demands and electrical costs on the current system by wise use of the water. At this time we ask all our customers to use water wisely. We cannot take our water supply for granted; we must conserve water to ensure we have an adequate high quality water supply now and in the future.

Conserving water is easy to do. Here are a few tips to help you reduce your water use and we ask all customers to avoid water waste.

1. Water plants and lawns only when needed, avoid water runoff into streets.
2. For best results, try morning watering evaporation loss is at a minimum.
3. Avoid washing down paved areas, sweep driveways and paved areas in garden clean up.
4. When washing the car use a bucket of water and only the hose to rinse.
5. Repair faucet leaks, as much as 15 gallons of water can be lost each day.
6. Avoid toilet water waste, don't use toilet as a trash disposal.
7. Don't fall asleep in the shower. An extra 5 minutes in the shower could mean 25 gallons or more down the drain. Just use a steady stream.
8. Use your dishwasher wisely, only turn on when you have a full load.
9. Make every laundry load you do count, up to 50 gallons are used for every load of washing you do.
10. Avoid running the faucet continuously while shaving, brushing teeth, peeling vegetables or washing dishes.
11. Check your property for leaks, there are lots of property leaks particularly on the older houses in the subdivision, if you notice one contact your plumber.
12. If you spot a leak in the neighborhood, call the water department office immediately @ 808 965 9882.

We are pleased to offer our customers free of charge some water-saving plumbing fixtures to help make conserving water easier. Please come down to the office to request fixtures.

Other Information

Miller and Lieb Water Company is now under new ownership, Kate and Mark Prescott took over the company in January. We are aware of the problems with the system and are endeavoring to identify these and correct them in the future.

The most important source of revenue for water systems is their customers. The income from the customers is critical in ensuring that the system is operated properly and efficiently today and in the future. By charging customers for the actual cost of the service, will not only allow us sufficient funds to cover the cost of operation but also provide funds to improve the water system.

The company will be applying for a rate increase to the PUC in the second part of this year, this will reflect the cost of operating the system today in 2006, and to guarantee high quality service in the future.

The company will also begin installing water meters on all properties so that eventually customers will pay according to their

usage so that it is more fair and equitable for all.

We have had a lot of feedback about our new billing system, fortunately most of it is positive. We now have computers in the office and the billing is generated in house. We are now better able to keep track of all our customers and provide accurate record keeping and can update customer information instantly to avoid confusion down the line.

The Hawaiian Beaches Water System is in compliance with Lead and Copper Rule requirements. The most recent tests were taken and analyzed in July 2003.

Water Quality Data Table

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently.

	MCLG or	MCL, TT, or	Your	Range	Sample						
<u>Contaminants</u>	<u>MRDLG</u>	<u>MRDL</u>	<u>Water</u>	<u>Low</u>	<u>High</u>	<u>Date</u>	<u>Violation</u>	<u>Typical Source</u>			
Disinfectants & Disinfection By-Products											
(There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.)											
Haloacetic Acids (HAA5) (ppb)	NA	60	1	NA		2005	No	By-product of chlorination	of drinking water		
TTHMs [Total Trihalomethanes] (ppb)	NA	80	1	NA		2005	No	By-product of disinfection	of drinking water		
Inorganic Contaminants											
Fluoride (ppm)	4	4	0.21	NA		2005	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories			
Nitrate [measured as Nitrogen] (ppm)	10	10	0.33	NA		2005	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits			
Sodium (optional) (ppm)		MPL	18	NA		2005	No	Erosion of natural deposits; Leaching			
Radioactive Contaminants											
Beta/photon emitters (pCi/L)	0	50	2.1	NA		2005	No	Decay of natural and man-made deposits. The EPA considers 50 pCi/L to be the level of concern for Beta particles.			

Unit Descriptions

<u>Term</u>	<u>Definition</u>
ppm	ppm: parts per million, or milligrams per liter (mg/L)
ppb	ppb: parts per billion, or micrograms per liter (µg/L)
pCi/L	pCi/L: picocuries per liter (a measure of radioactivity)
NA	NA: not applicable
ND	ND: Not detected
NR	NR: Monitoring not required, but recommended.
Important Drinking Water Definitions	
<u>Term</u>	<u>Definition</u>
MCLG	MCLG: Maximum Contaminant Level Goal: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
MCL	MCL: Maximum Contaminant Level: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
TT	TT: Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.
AL	AL: Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
Variances and Exemptions	Variances and Exemptions: State or EPA permission not to meet an MCL or a treatment technique under certain conditions.
MRDLG	MRDLG: Maximum residual disinfection level goal. The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
MRDL	MRDL: Maximum residual disinfectant level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
MNR	MNR: Monitored Not Regulated
MPL	MPL: State Assigned Maximum Permissible Level

For more information please contact:

Kate Prescott

P.O. Box 22, Pahoa, HI 96778

Phone: 8089659882 Fax: 808 9658388

PO Box 22

Pahoa, HI 96778

808 9659882

808 9658388

kateprescott78@hotmail.com

HAWAIIAN BEACHES WATER CO., INC.
PO BOX 22
PAHOA, HI 96778

Phone (808) 965-9882
 Fax (808) 965-8388

For more information please contact: Kate Prescott
 Email: kateprescott178@hotmail.com

Consumer Confidence

Report July 2009



HAWAIIAN BEACHES WATER COMPANY

CONSUMER CONFIDENCE REPORT 2009

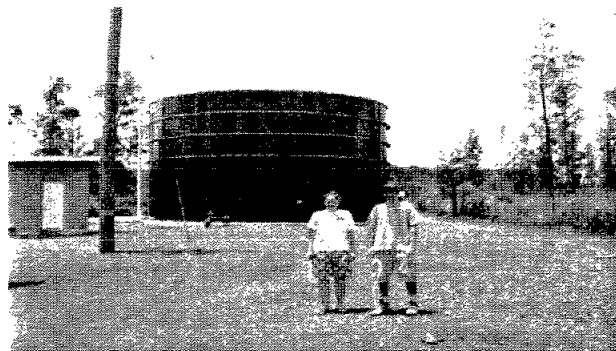
Big Improvements to the Hawaiian Beaches Water System

We are very excited to update you on all the improvements that have been made since last year. On April 22nd, 2009 we successfully started up our new groundwater source after several years of planning and construction. Along with a new well we also added a 320,000 gallon Fusion glass-lined steel storage tank, a back-up generator and pump house. The new equipment is able to alert us to any problems at the water yard so that we can address these before it has a negative impact on the customers service. These improvements will greatly benefit the customers so that they do not experience water outages due to brief electrical interruptions and pump damage as in the past. We have been working very hard for the last several years to bring the system up to date and are hoping that our customers

are beginning to enjoy the difference

Most of you would have noticed that you now have a water meter at your property which is getting read every month. Your usage can be found on the left hand side of your water bill. This is purely for informational purposes at this stage, but please pay attention to your usage as this will notify you to any spikes in use or help identify

leaks before you may notice them. We have over 100 customers with excessive use, most of these customers have been identified as having a leak, this is the time to have these fixed before we change to a usage based rate and also as consideration to other customers who share the costs and may use little water.



Proud owners standing in front of the new "Fusion" 320,000 gallon storage tank.

Is My Water Safe? Where does my water come from?

Last year, as in years past, your tap water met all U.S. Environmental Protection Agency (EPA) and Hawaii State Department of Health Safe Drinking Water Branch (SDWB) drinking water health standards. Local Water vigilantly safeguards its water supplies and once again we are proud to report that our system has not violated a maximum contaminant level or any other water

quality standard.

Your drinking water starts as rain falling over the mountains of Mauna Kea & Mauna Loa. Because volcanic rock is porous, much of the rain seeps into the ground and is naturally filtered eventually ending up in the aquifer. The water is accessed from the aquifer by one of two wells at the top of the subdivision which are approximately 400 feet deep.

Inside this issue:

"Top Ops" winners again	2
Why are there contaminants	2
Dangers of Lead	2
Water Quality	3
Conservation Tips	3
Precautions	3
Water Quality Table	4

Why are there Contaminants in my Drinking Water?

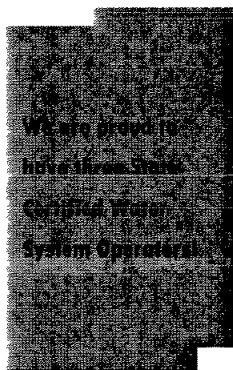
Drinking Water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More info about contaminants and potential health effects can be obtained by calling the EPA Safe Drinking Water Hotline (800-426-4791). The sources of drinking water (both tap water & bottled) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and picks up substances from the presence of animals or human activity: microbial contaminants,



Water may contain contaminants.

such as viruses & bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife; inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm water runoff, industrial, or domestic wastewater discharges, oil & gas production, mining, or farming; pesticides & herbicides, which may come from a variety

of sources such as agriculture, urban storm water runoff, and residential uses; Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems; and radioactive contaminants, which can be naturally occurring or be the result of oil & gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by Public Water Systems. FDA regulations establish limits for contaminants in Bottled Water providing the same protection for public health.



Elevated Lead Levels Can Cause serious Health Problems.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials associated with service lines and home plumbing. The Hawaiian Beaches Water System is responsible for providing high

quality drinking water, but cannot control the variety of material used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your taps for 30 seconds to 2 minutes before using the water for drinking or cooking. If you

are concerned about lead in your water, you may wish to have your water tested by a private laboratory that has been certified by the Hawaii Department of Health Safe Drinking Water Branch.

"Top Ops" HBWC & Wood Valley Combine To Take Out Contest for Smartest Operators Again.

We are very proud to announce Mark Prescott, & Kate Prescott along with Jeff Silva from Wood Valley took out the title of "Top Ops" in a competition for the smartest operators in the state for the second year running at the Hawaii AWWA (American Water Works Association) 35th Annual Conference this year.

We are also pleased that we now have three State Certified Public Water System Operators. Rich Gomez just passed his level 1 certification after working here for just 12 months. Kate Prescott passed her level 2 certification in October 2008, and

Mark Prescott recently passed his level 3 certification in April.

Customers can rest assured that the company is working hard to supply its customers with safe and reliable drinking water now and in the future.



Deliberating during the "Top Ops" Contest.

Hawaiian Beaches Water Quality

The table on page 4 lists all of the drinking water contaminants that we detected during the calendar year of 2008. The presence of contaminants in the water does not necessarily indicate the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently.

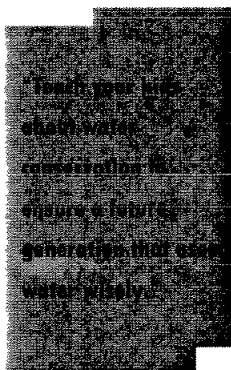
The following Contaminants were monitored for but not detected in your water:

- Inorganic Contaminants: Asbestos, Cyanide.
- Synthetic organic contaminants

including pesticides and herbicides: Benzo(a)pyrene, Diadipate, Dioxin, Diquat, Endorhall & Ethylene dibromide.

- Volatile Organic Contaminants: Trichloroethane, Dichloroethylene, Dichloroethane, Dichloropropane, Benzene, Carbon Tetra-

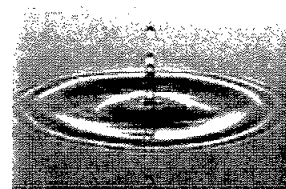
chloride, Chlorobenzene, Dichloroethylene, Dichloromethane, Ethylbenzene, Dichlorobenzene, Styrene, Tetrachloroethylene, Toluene, Trichloroethylene, Vinyl Chloride & Xylenes.



Conservation Tips

Did you know that the average U.S. house hold uses approximately 350 gallons of water per day? Luckily there are many low-cost or no-cost ways to conserve water. Water your lawn at the least sunny times of day (that is if you really need to be watering your lawn at all with our rainfall!). Fix toilet and faucet leaks.

Take short showers—a 5 minute shower uses 4 to 5 gallons of water compared to up to 50 gallons for a bath. Turn the faucet off while brushing your teeth and shaving; 3-5 gallons go down the drain per



minute.

Teach your kids about water conservation to ensure a future generation that uses water wisely.

Make it a family effort to reduce

Do I Need To take Special Precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants

can be particularly at risk from infections.

These people should seek advice about drinking water from their health care providers. EPA/Center for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial



Some people are more vulnerable to contaminants.

contaminants are available from the Safe Drinking Water Hotline.

Safe Drinking Water Hotline:
1-800-426-4791

Water Quality Data Table

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently

<u>Contaminants</u>	<u>MCLG</u> or <u>MRDLG</u>	<u>MCL</u> TT, or <u>MRDL</u>	<u>Your</u> <u>Water</u>	<u>Range</u> <u>Low</u> <u>High</u>	<u>Sample</u> <u>Date</u>	<u>Violation</u>	<u>Typical Source</u>
Disinfectant & Disinfection By-Products							(There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants)
TTHMs [Total]	NA	80	1	NA	2008	No	By-product of drinking water disinfection

<u>Contaminants</u>	<u>MCLG</u>	<u>AL</u>	<u>Your</u> <u>Water</u>	<u>Sample</u> <u>Date</u>	<u># Samples</u> <u>Exceed-</u> <u>ing AL</u>	<u>Exceeds</u> <u>AL</u>	<u>Typical Source</u>
Inorganic Contaminants Nitrate [Measured as Nitrogen]	1	1	.42	2008	0	No	Runoff from fertilizer use; Leaching from septic tanks, seage; Erosion of natural deposits
Copper - action level at consumer taps (ppm)	1.3	1.3	0.07	2006	0	No	Corrosion of household plumbing systems; Erosion of natural deposits
Lead - action level at consumer taps (ppb)	0	15	5	2006	0	No	Corrosion of household plumbing systems; Erosion of natural deposits

<u>Important Drinking Water Definitions</u>	
<u>Term</u>	<u>Definition</u>
MCLG	MCLG: Maximum Contaminant Level Goal: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
MCL	MCL: Maximum Contaminant Level: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
TT	TT: Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.
AL	AL: Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
Variances and Exemptions	Variances and Exemptions: State or EPA permission not to meet an MCL or a treatment technique under certain conditions.
MRDLG	MRDLG: Maximum residual disinfection level goal. The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
MRDL	MRDL: Maximum residual disinfectant level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
MNR	MNR: Monitored Not Regulated
MPL	MPL: State Assigned Maximum Permissible Level
PPM	Parts per Million
PPB	Parts per Billion



Hawaiian Beaches Water Company

P.O. Box 22, Pahoa, Hawaii 96778

Phone: (808) 965-9882 Fax: (808) 965-8038

Consumer Confidence Report 2007

Is My Drinking Water Safe?

Yes. Last year, as in years past, your tap water met all U.S. Environmental Protection Agency (EPA) and State drinking water health standards. Hawaiian Beaches vigilantly safeguards its water supplies and tests for over 100 different types of contaminants. See the water quality report for a listing of the contaminants discovered. Once again we are proud to report that for those contaminants shown in the report, the amounts found are fully compliant with the standards for safe drinking water.

Do I need to take special precautions?

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised individuals such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791) or the State of Hawaii Department of Health at (808) 586-4258.

Where does my water come from?

Drinking water starts as rain falling over the mountains of Mauna Kea and Mauna Loa. Because volcanic rock is porous, much of this rain is naturally filtered through the ground and eventually ends up in a nearby aquifer. The water is accessed via a well at the top of the subdivision and is approximately 400 feet deep.

Source Water assessment and its availability

On April 30, 2004, the Hawaii Department of Health Safe Drinking Water Branch and the University of Hawaii Water Resources Center completed the Hawaii Water Source Assessment Report for drinking water sources throughout the state. The report is available upon request at the office.

Why are there contaminants in drinking water?

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791) or the State of Hawaii Department of Health at (808) 586-4258. Nationally, the sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

What kind of contaminants are a concern to drinking water?

Contaminants that may be in source water include: microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife; inorganic contaminants, such as salts and metals, which can be naturally occurring or result from urban storm water runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming; pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses; organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems; and radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

Other Information

In the previous 12 months, improvements have been made to the distribution system, which has cut down our average daily pumping time by a third. Many leaks have been repaired, and a pressure-reducing valve was also rebuilt which has greatly contributed to the reduction in pumping hours.

The crew has also been busy installing water meters for existing customers. We hope to have meters installed for all customers by the end of 2008. This will eventually allow us to charge the customers for their actual usage and makes for a much more equitable billing system.

Installing meters on existing customers has turned out to be a very big job as a lot of the older plumbing fixtures need to be replaced and there are many connections that have been made in customers properties that are not easily accessed. Please assist us by being familiar with the location of your connection. If your connection is in your property, particularly under walls or in garden beds, it will need to be accessed in the near future by our crew and moved, if necessary, in order to install a meter.

We are also in final discussions with a contractor who we have retained to design, build and outfit the new well and storage tank. Construction should begin in the next few weeks with the anticipated operational date of December 31, 2007. This will allow us to supply our current customers and those on the waiting list with reliable and safe water service into the future. In addition to having the ability to pump more water out of the ground, our storage capacity will be tripled and we will also have a backup generator so that there is no interruption to service during electrical outages.

Notice of Change of Rates, Charges and Rules, Effective 07/1/07

On May 31, 2007 and June 27, 2007, the Hawaii Public Utilities Commission (Commission) issued Decision and Order No. 23469 and Order No. 23513, respectively, approving new rates, charges and rules for Miller and Lieb Water Company, Inc. (Miller and Lieb), now known as Hawaiian Beaches Water Company, Inc. (HBWC). In particular, the Commission has approved HBWC to implement the first phase of its approved rate increase (i.e., increasing its monthly charge to \$28.73), effective July 1, 2007. This approval is the result of HBWC's application filed with the Commission on November 8, 2006 for certain changes to its existing rates, charges and rules, and concludes many months of exhaustive review and analysis undertaken by both the Commission and the Division of Consumer Advocacy (the Consumer Advocate). As part of its approval, the Commission approved the rate structure for HBWC, as well as a new set of Rules and Regulations to update the previous rules that were established by HBWC's predecessor, Miller and Lieb.

The following sets forth the new rates approved by the Commission:

GENERAL USE RATES**I. Non-Recurring Charges:****I-A New Water Service Connection Charge.....\$1,500 per connection**

This charge shall be collected from each new customer requesting service at a location where no meter is installed, prior to receiving service. This charge shall be made only once per location where water service is requested. These amounts shall be recorded as Contributions-in-aid-of-Construction

I-B Voluntary Disconnect and Reconnection Charge.....\$260.00 per request

This charge shall be applied in each instance where an existing customer requests a temporary suspension of water service for a period of longer than one-month. The purpose of this charge is to compensate the Company for revenue lost by temporary disconnections normally lasting several months while the customer is not at the premises. The charge also includes a charge for the cost of the actual meter shut-off and subsequent turn-on.

I-C Involuntary Disconnect and Reconnection Charge.....\$60.00 per instance

This charge shall be applied in each instance where a customer's service has been disconnected for non-payment or other violation of the Company's Rules and Regulations. The purpose of this charge is to recover the cost of the actual meter shut-off and subsequent turn-on.

I-D Return Check Fee.....\$30.00 plus bank charge to Company

This charge shall be made for each check provided to the Company by a customer or potential customer in payment of services that is returned to the Company by the bank. This charge is designed to reimburse the Company for its internal costs of processing these returned checks and also for the charge to the Company from the bank for the processing of the returned check. As of October 31, 2006, this returned check bank charge to the Company is \$5.00.

II. Recurring Charges:**II-A Water Service Charge**

Customer Class	Present Rate	1 st Phase effective (7/1/07)	2 nd Phase effective (1/1/08)	3 rd Phase effective (7/1/08)	4 th Phase effective (1/1/09)
Residential (Single Family and Condominiums) (monthly service charge per customer)	\$22.00	\$28.73	\$35.24	\$41.76	\$48.06

As you may be aware, this is the first rate increase for HBWC since Miller and Lieb's rate increase in August 1980, a period of over twenty-six (26) years. While we recognize that no one welcomes rate increases, we trust that you understand the need to raise rates and charges and revise our Rules and Regulations at this time to maintain sustainable levels of service and to honor our commitment to provide you with safe and reliable potable water services. All of HBWC's new rates and charges and revised Rules and Regulations approved by the Commission are contained in HBWC's Tariff filed with the Commission. Copies of the Tariff and the Commission's rulings on this matter are available for public viewing at HBWC's office, which is located at 15-966 Punawai Street, Pahoa, Hawaii 96788. We look forward to continuing the relationships we have established with the residents, business owners, and the community-at-large. Your involvement is greatly appreciated and continues to be a critical component of our business as we move forward. We appreciate the support we have had from our customers and trust that you are enjoying a more reliable service. Thank you for allowing us to serve you.

Water Quality Data Table

The table below lists all of the drinking water contaminants that we detected during the calendar year of this report. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in this table is from testing done in the calendar year of the report. The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently

<u>Contaminants</u>	<u>MCLG</u> or <u>MRDLG</u>	<u>MCL</u> TT, or <u>MRDL</u>	<u>Your</u> <u>Water</u>	<u>Range</u> <u>Low</u> <u>High</u>	<u>Sample</u> <u>Date</u>	<u>Violation</u>	<u>Typical Source</u>
Inorganic Contaminants							
Fluoride (ppm)	4	4	0.22	NA	2006	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories
Nitrate [measured as Nitrogen] (ppm)	10	10	0.3	NA	2006	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
Nitrite [measured as Nitrogen] (ppm)	1	1	0.05	NA	2006	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits

Contaminants	MCLG	AL	Your Water	Sample Date	# Exceeding AL	Samples	Exceeds AL	Typical Source
Inorganic Contaminants								
Copper - action level at consumer taps (ppm)	1.3	1.3	0.07	2006	0		No	Corrosion of household plumbing systems; Erosion of natural deposits
Lead - action level at consumer taps (ppb)	0	15	5	2006	0		No	Corrosion of household plumbing systems; Erosion of natural deposits

Unit Descriptions	
Term	Definition
ppm	ppm: parts per million, or milligrams per liter (mg/L)
ppb	ppb: parts per billion, or micrograms per liter (µg/L)
NA	NA: not applicable
ND	ND: Not detected
NR	NR: Monitoring not required, but recommended.
Important Drinking Water Definitions	
Term	Definition
MCLG	MCLG: Maximum Contaminant Level Goal: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
MCL	MCL: Maximum Contaminant Level: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.
TT	TT: Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.
AL	AL: Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
Variances and Exemptions	Variances and Exemptions: State or EPA permission not to meet an MCL or a treatment technique under certain conditions.
MRDLG	MRDLG: Maximum residual disinfectant level goal. The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
MRDL	MRDL: Maximum residual disinfectant level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
MNR	MNR: Monitored Not Regulated
MPL	MPL: State Assigned Maximum Permissible Level

HAWAIIAN BEACHES WATER COMPANY
PO BOX 22
PAHOA, HAWAII 96778

FIRST CLASS
MAIL
U.S. POSTAGE
PAID
PERMIT NO. 4

*** IMPORTANT NEW RATES INFORMATION INSIDE**

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 HAWAIIAN BEACHES		Monitoring Period:	10/1/06 - 9/30/07
				Reporting Date:	10/10/07
Water Treatment Facility (if applicable):		N/A		Disinfectant:	CALCIUM HYPOCHLORITE
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
October 2006	3	0.56	0.51	0.4	RAA for this monitoring period is <4.0 mg/L.
November	3	0.55			
December	3	0.41			
January 2007	3	0.36	0.39		
February	3	0.45			
March	3	0.35			
April	3	0.27	0.33		
May	3	0.33			
June	3	0.38			
July	3	0.36	0.44		
August	3	0.49			
September	4	0.47			
October	X	0.00	0.00	Upcoming Quarterly data:	Projected RAA = 0.3 mg/L
November	X	0.00			
December	X	0.00			
Reported By:				Date:	
NOTES:					
1. You calculate the average of all samples taken that month					
2. The spreadsheet calculates the 3-month average of "monthly averages"					
3. The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place.					
4. For system use - to anticipate compliance problems in advance					

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 HAWAIIAN BEACHES		Monitoring Period:	10/1/06 - 9/30/07
				Reporting Date:	01/10/08
Water Treatment Facility (if applicable):		N/A		Disinfectant:	CALCIUM HYPOCHLORITE
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
October 2006	3	0.56	0.51	0.4	RAA for this monitoring period is <4.0 mg/L.
November	3	0.55			
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January 2007	3	0.36	0.39		
February	3	0.45			
March	3	0.35			
April	3	0.27	0.33		
May	3	0.33			
June	3	0.38			
July	3	0.36	0.44		
August	3	0.49			
September	4	0.47			
October	3	0.46	0.37	Upcoming Quarterly data:	Projected RAA = 0.4 mg/L
November	3	0.37			
December	3	0.27			
Reported By:				Date:	
NOTES: <ol style="list-style-type: none"> 1. You calculate the average of all samples taken that month 2. The spreadsheet calculates the 3-month average of "monthly averages" 3. The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place. 4. For system use - to anticipate compliance problems in advance 					

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS							
QUARTERLY REPORT TO DIRECTOR							
PWS # & Purveyor:	PWS#117 Hawaiian Beaches			Monitoring Period:	04/01/07-06/30/08		
				Reporting Date:	04/10/08		
Water Treatment Facility (if applicable):	N/A			Disinfectant:	Calcium Hypochlorite		
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS		
April	3	0.27	0.33	3.0			
May	3	0.33					
June	3	0.38					
July	3	0.36	0.44				
August	3	0.49					
September	4	0.47					
October	3	0.46	0.37				
November	3	0.37					
December	3	0.27					
Jan-08	3	0.76	0.50				
February	4	0.35					
March	6	0.39					
April	0	0.00	0.00	Upcoming Quarterly data:		Projected RAA = 0.3 mg/L	
May	0	0.00					
June	0	0.00					
Reported By:				Date:			
NOTES:							
1.	You calculate the average of all samples taken that month						
2.	The spreadsheet calculates the 3-month average of "monthly averages"						
3.	The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place.						
4.	For system use - to anticipate compliance problems in advance						

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS									
QUARTERLY REPORT TO DIRECTOR									
PWS # & Purveyor:		PWS#117 HAWAIIAN BEACHES			Monitoring Period:		10/1/06 - 9/30/07		
					Reporting Date:		01/10/08		
Water Treatment Facility (if applicable):		N/A			Disinfectant:		CALCIUM HYPOCHLORITE		
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS				
October 2006	3	0.56	0.51	0.4	RAA for this monitoring period is <4.0 mg/L.				
November	3	0.55							
December	3	0.41							
January 2007	3	0.36	0.39						
February	3	0.45							
March	3	0.35							
April	3	0.27	0.33						
May	3	0.33							
June	3	0.38							
July	3	0.36	0.44						
August	3	0.49							
September	4	0.47							
October	3	0.46	0.37	Upcoming Quarterly data:		Projected RAA = 0.4 mg/L			
November	3	0.37							
December	3	0.27							
Reported By:					Date:				
NOTES: <ol style="list-style-type: none"> 1. You calculate the average of all samples taken that month 2. The spreadsheet calculates the 3-month average of "monthly averages" 3. The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place. 4. For system use - to anticipate compliance problems in advance 									

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REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 Hawaiian Beaches		Monitoring Period:	04/01/07-06/30/08
				Reporting Date:	04/10/08
Water Treatment Facility (if applicable):				N/A	Disinfectant: Calcium Hypochlorite
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
April	3	0.27	0.33	3.0	
May	3	0.33			
June	3	0.38			
July	3	0.36	0.44		
August	3	0.49			
September	4	0.47			
October	3	0.46	0.37		
November	3	0.37			
December	3	0.27			
Jan-08	3	0.76	0.50		
February	4	0.35			
March	6	0.39			
April	0	0.00	0.00	Upcoming Quarterly data:	Projected RAA = 0.3 mg/L
May	0	0.00			
June	0	0.00			
Reported By:				Date:	
NOTES: <ol style="list-style-type: none"> You calculate the average of all samples taken that month The spreadsheet calculates the 3-month average of "monthly averages" The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place. For system use - to anticipate compliance problems in advance 					

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 Hawaiian Beaches		Monitoring Period: 07/01/08-09/30/08	
				Reporting Date: 11/10/08	
Water Treatment Facility (if applicable):		N/A		Disinfectant: Calcium Hypochlorite	
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
October	3	0.46	0.33	3.0	
November	3	0.37			
December	4	0.27			
Jan-08	3	0.76	0.50		
February	4	0.35			
March	6	0.39			
April	4	0.30	0.34		
May	4	0.31			
June	8	0.42			
July	6	0.34	0.51		
August	4	0.65			
September	4	0.55			
October	0	0.00	0.00	Upcoming Quarterly data: Projected RAA = 0.3 mg/L	
November	0	0.00			
December	0	0.00			
Reported By:				Date:	
NOTES:					
1. You calculate the average of all samples taken that month					
2. The spreadsheet calculates the 3-month average of "monthly averages"					
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REPORTING SUMMARY FOR DISINFECTANT RESIDUALS							
QUARTERLY REPORT TO DIRECTOR							
PWS # & Purveyor:		PWS#117 Hawaiian Beaches			Monitoring Period:		07/01/08-09/30/08
					Reporting Date:		11/10/08
Water Treatment Facility (if applicable):				N/A	Disinfectant:		Calcium Hypochlorite
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE¹	QUARTERLY AVERAGE²	RAA³	VIOLATION STATUS		
January	3	0.76	0.33	3.0			
February	4	0.35					
March	6	0.39					
April	4	0.30	0.34				
May	4	0.31					
June	8	0.42					
July	6	0.34	0.51				
August	4	0.65					
September	4	0.55					
October	4	0.40	0.46				
November	4	0.45					
December	4	0.54					
January	0	0.00	0.00	Upcoming Quarterly data:		Projected RAA = 0.3 mg/L	
February	0	0.00					
March	0	0.00					
Reported By:					Date:		
NOTES:							
1. You calculate the average of all samples taken that month							
2. The spreadsheet calculates the 3-month average of "monthly averages"							
3. The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place.							
4. For system use - to anticipate compliance problems in advance							

ATTACHMENT CA-IR-11b

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ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 Hawaiian Beaches		Monitoring Period:	07/01/08-06/30/09
				Reporting Date:	07/07/09
Water Treatment Facility (if applicable):		N/A		Disinfectant:	Calcium Hypochlorite
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
July 2008	6	0.34	0.51	0.5	
August 2008	4	0.65			
September 2008	4	0.55			
October 2008	4	0.40	0.46		
November 2008	4	0.45			
December 2008	4	0.54			
January 2009	4	0.62	0.71		
February 2009	4	0.75			
March 2009	4	0.76			
April 2009	4	0.43	0.44		
May 2009	4	0.48			
June 2009	4	0.40			
July 2009			#DIV/0!	Upcoming Quarterly data:	Projected RAA = #DIV/0! mg/L
August 2009					
September 2009					
Reported By:				Date:	
NOTES:					
1. You calculate the average of all samples taken that month					
2. The spreadsheet calculates the 3-month average of "monthly averages"					
3. The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place.					
4. For system use - to anticipate compliance problems in advance					

ATTACHMENT CA-IR-11b

REPORTING SUMMARY FOR DISINFECTANT RESIDUALS					
QUARTERLY REPORT TO DIRECTOR					
PWS # & Purveyor:		PWS#117 Hawaiian Beaches		Monitoring Period:	07/01/08-06/30/09
				Reporting Date:	09/14/09
Water Treatment Facility (if applicable):		N/A		Disinfectant:	Calcium Hypochlorite
MONTH	# MONTHLY SAMPLES	MONTHLY AVERAGE ¹	QUARTERLY AVERAGE ²	RAA ³	VIOLATION STATUS
October 2008	4	0.40	0.46	0.5	
November 2008	4	0.45			
December 2008	4	0.54			
January 2009	4	0.62	0.71		
February 2009	4	0.75			
March 2009	4	0.76			
April 2009	4	0.43	0.44		
May 2009	4	0.48			
June 2009	4	0.40			
July 2009	4	0.43	0.42		
August 2009	4	0.40			
September 2009	4	0.43			
Oct 2009			#DIV/0!	Upcoming Quarterly data:	Projected RAA = #DIV/0! mg/L
November 2009					
December 2009					
Reported By:				Date:	
NOTES: <ol style="list-style-type: none"> You calculate the average of all samples taken that month The spreadsheet calculates the 3-month average of "monthly averages" The spreadsheet calculates the Running Annual Average based on "quarterly average" column RAA must be reported to one decimal place. For system use - to anticipate compliance problems in advance 					

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-12

Ref: Water Usage.

- a. Please provide a copy of the electronic file for Confidential Workpaper HBWC 11.1

RESPONSE:

See Confidential Attachment CA-IR-12a, filed under and subject to Protective Order issued in this docket on August 13, 2009, which contains two electronic files. Part A is sorted by the monthly volume of customer usage, which supports the customer distribution and usage presented on Exhibit HBWC 11.1. Part B is sorted by account number for use in comparison with actual customer usage from other periods.

- b. Please provide a copy of the meter readings from June 2008 through February 2009 in the same format provided in Confidential Workpaper HBWC 11.1. Please include a copy of the electronic file.

RESPONSE:

See Confidential Attachment CA-IR-12b, filed under and subject to Protective Order issued in this docket on August 13, 2009, which includes the electronic file sorted by customer account number which can be compared to the Confidential Attachment CA-IR-12a (Part B), filed under and

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-12 (cont.)

subject to Protective Order issued in this docket on
August 13, 2009.

SPONSOR: Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-13

Ref: Unaccounted for Water.

- a. Please discuss whether the Company has conducted a leak detection survey to determine the water loss associated with: (1) its system; and (2) leaks attributed to the customers' service lines. If so, please provide a copy of the survey.

RESPONSE:

No survey has been conducted thus far.

- b. If the Company has not conducted a survey, please explain why.

RESPONSE:

The Company has not conducted a leak detection survey as the Company has had no evidence to suggest that there is a need for it. In addition, conducting such a survey would be very costly. The Company currently has both wells metered and has installed meters on all properties. Through meter reading, the Company is identifying old meters that may no longer be recording accurately and changing these out. When the Company has all meters reading accurately, it will be able to take the information from the well meters minus the customer meters and determine if there is any need for any formal leak detection activity to be considered.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

Expenses.

CA-IR-14

Ref: Expenses.

Please provide the 2009 to-date expense incurred for the following:

a. Auto & Truck Expense.

RESPONSE: The 2009 expenses recorded to date are \$11,752

b. Postage.

RESPONSE: The 2009 expenses recorded to date are \$4,355

c. Communications.

RESPONSE: The 2009 expenses recorded to date are \$4,328 for Telephone and \$90 for pager service.

d. Office Supplies Expense by category.

RESPONSE: The 2009 expenses recorded to date are:

Office Supplies & Expenses	\$2,924
Data Processing	\$1,628
Dues & Fees	\$ 689
Office Electric	\$2,128
Bank Charges	\$8,924
Training	\$1,515
Other	\$3,645
Customer Notices	\$ 742

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-14 (cont.)

e. Repair & Maintenance.

RESPONSE: The 2009 expenses recorded to date are \$1,075.

SPONSOR: Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-15

Ref: Employee Benefits & PR Taxes.

- a. Please reconcile the July 1, 2009 HSMA rates identified on Exhibit HBWC 10.2 with the rates identified on Workpaper HBWC 10.2.

RESPONSE:

The data contained on Exhibit HBWC 10.2 reflects the correct charges for the year beginning July 1, 2009 as supported by page 1 of Attachment CA-IR-15b. The data contained on Workpaper HBWC 10.2 reflects the monthly charges for the period ended June 30, 2009 as supported by page 2 of Attachment CA-IR-15b. The monthly amounts shown on the workpaper should have been changed to show the correct amounts for each year.

- b. Please provide documentation to support the HMSA rates for the year 2009.

RESPONSE:

See Attachment CA-IR-15b.

SPONSOR:

Robert O'Brien

ATTACHMENT
CA-IR-15b



An Independent Licensee of the Blue Cross and Blue Shield Association

April 30, 2009

HAWAIIAN BEACHES WATER COMPANY INC 4000 82020 11470 1 P + C
 HAWAIIAN BEACHES WATER
 CO INC
 PO BOX 22
 PAHOA HI 96778

Rate Exhibit effective July 1, 2009

The rates shown have been filed with the State Insurance Division, as required by law.

Package Description		Single	Two-Party	Family
010	PPP/DRUG/VISION/DENTAL	409.64	809.08	1208.52
011	PPP/DRUG/VISION/DENTAL HMO	409.64	809.08	1208.52
012	HPH/DRUG/VISION/DENTAL	358.76	707.32	1055.88
013	HPH/DRUG/VISION/DENTAL HMO	358.76	707.32	1055.88
014	COMP MED/DRUG/VISION/DENTAL	388.90	767.60	1146.30
015	COMP MED/DRUG/VISION/DENTAL HMO	388.90	767.60	1146.30

PPP: Preferred Provider Plan

HPH: Health Plan Hawaii



An Independent Licensee of the Blue Cross and Blue Shield Association

BILL DATE: 9-15-2009 PAYMENT IS DUE BY: 10-1-2009

GROUP NUMBER		CURRENT BILLING PERIOD		PAGE NUMBER
		From	To	
11470	1 6	10-1-2009	11-1-2009	2 of 3



23003 11470 16 100109 00003219.20 C

HAWAIIAN BEACHES WATER COMPANY INC DBA
HAWAIIAN BEACHES WATER
CO INC
PO BOX 22
PAHOA HI 96778

SECTION 2

SUMMARY OF PACKAGE 010
COVERAGE: PPP/DRUG/VISION/DENTAL

CONTRACTS	BILLED	PREPAID	MONTHLY RATE	CURRENT AMOUNT	RETRO AMOUNT	TOTAL AMOUNT
12=SINGLE	2	0	\$407.50	\$815.00	\$407.50CR	\$407.50
13=2 PTY	1	0	\$804.80	\$804.80	\$804.80	\$1609.60
14=FAMILY	1	0	\$1202.10	\$1202.10	\$.00	\$1202.10
TOTAL PACKAGE 010	4	0		\$2821.90	\$397.30	\$3219.20

TOTAL CURRENT PERIOD	4	0		\$2821.90	\$397.30	\$3219.20
TOTAL PRIOR UNPAID BILLS						\$.00
TOTAL AMOUNT DUE						\$3219.20

PLEASE KEEP THIS COPY FOR YOUR RECORDS

HMSA

Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

BILL DATE: 1-13-2009 PAYMENT IS DUE BY: 2-1-2009

GROUP NUMBER	CURRENT BILLING PERIOD		PAGE NUMBER
	From	To	
11470 1 6	2-1-2009	3-1-2009	2 of 3



23003 11470 16 020109 00002330.88 C

HAWAIIAN BEACHES WATER COMPANY INC DBA
HAWAIIAN BEACHES WATER
CO INC
PO BOX 22
PAHOA HI 96778

SECTION 2

SUMMARY OF PACKAGE 010
COVERAGE: PPP/DRUG/VISION/DENTAL

CONTRACTS	BILLED	PREPAID	MONTHLY RATE	CURRENT AMOUNT	RETRO AMOUNT	TOTAL AMOUNT
12=SINGLE	3	0	\$391.88	\$1175.64	\$0.00	\$1175.64
14=FAMILY	1	0	\$1155.24	\$1155.24	\$0.00	\$1155.24
TOTAL PACKAGE 010	4	0		\$2330.88	\$0.00	\$2330.88
<hr/>						
TOTAL CURRENT PERIOD	4	0		\$2330.88	\$0.00	\$2330.88
TOTAL PRIOR UNPAID BILLS						\$0.00
TOTAL AMOUNT DUE						\$2330.88

PLEASE KEEP THIS COPY FOR YOUR RECORDS

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-16

Ref: Electricity.

- a. Please provide copies of the December electricity bills for each account for the years 2007 through 2008.

RESPONSE:

See Attachment CA-IR-16a, which contains the monthly electricity data for the period January 2007 to December 2008 for the well pump and the office.

- b. Please provide copies of the electricity bills for each account for 2009 to-date.

RESPONSE:

See Attachment CA-IR-16b which contains the monthly 2009 electricity data for the well pump for the months of January to March and also from June to September. The electric power for the months of April and May was provided by a generator due to the construction of the new well facilities. Attachment CA-IR-16b also contains the electricity data for the office for the months of January to September 2009.

- c. Please discuss whether the Company is on a Rider M tariff.
 - 1. If not, in light of the fact that the Company has increased the capacity of its water system, please explain why the Company has not sought to be placed on a Rider M to lower the electricity costs to operate its pumps.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-16 (cont.)

RESPONSE: The upgraded well system operation was monitored for electrical consumption for a 30-day period to determine the daily power demand periods and evaluate the opportunity to change HELCO Billing rate schedule or riders. Evaluation of the collected data showed that the system operates for approximately 13 hours a day, with the operation split 50% between day and night operations. See Attachment CA-IR-16c for a chart, which presents the results of the power usage during the monitoring period. Also, the Demand is less than 100 kw/day. The results indicate there is no cost benefit in entering into the Rider M. It is suggested that the operation be evaluated at some future date after metered rates go into effect to evaluate the use practices of the utility customers.

- d. Please provide the actual water pumped by month associated with each of the Company's pumps for the years 2007 through 2009 to-date.

RESPONSE: See Attachment CA-IR-16d.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-16a

Hawaii Electric Light Co., Inc.
 P.O. Box 1027
 Hilo, HI 96721-1027

Decorate with LED holiday lights.
 Each bulb uses only 0.04 watts, while
 a standard indoor bulb uses 5 watts.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #PUMP
12/04/08	BALANCE FROM PREVIOUS BILLING	\$15,287.05
	PAYMENT - THANK YOU	15,287.05
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 12/31/08	12,406.08
	TOTAL AMOUNT DUE	\$12,406.08

J GENERAL SERVICE-DEMAND		FROM 11/12/08 TO 12/11/08 29 DAYS	
MTR# HX000092871	KILOWATT HOURS		
CURRENT READING	09716		
PREVIOUS READING	76627		
DIFFERENCE	33089		
MULTIPLIER	1		
USAGE	33,089		
DEMAND READING		KILOWATTS	
MULTIPLIER	1	86.040	
MEASURED DEMAND		86.0	
BILLING DEMAND		86.0	

CUSTOMER CHARGE		\$56.00
DEMAND CHARGE		602.00
ENERGY CHARGE		5,093.46
INTERIM RATE ADJUSTMENT		621.16
ENERGY COST ADJUSTMENT		5,995.04
IRP COST RECOVERY		38.42
TOTAL FOR SERVICE		\$12,406.08

ELECTRIC USAGE PROFILE FOR METER HX00092871				
DATE	KWH	AMOUNT	DAYS	\$/DAY
12/11/08	33089	\$12,406.08	29	427.80
11/12/08	39590	15,287.05	33	463.24
10/10/08	38258	15,596.63	33	472.61
09/11/08	42621	16,947.34	31	546.69
08/11/08	44879	16,947.34	31	546.69
07/11/08	47771	16,947.34	31	546.69
06/12/08	48383	16,947.34	31	546.69
05/12/08	49254	16,947.34	31	546.69
04/10/08	43080	14,301.58	33	433.38
03/12/08	46691	15,851.04	30	528.37
02/11/08	46867	15,696.76	31	506.02
01/11/08	44412	13,743.36	31	443.33
12/11/07	46615	13,690.26	31	441.62

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

121208 05881 H2

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Use ENERGY STAR appliances
To save Energy, the Environment
And \$\$\$ on your electric bill.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-002	HAWAIIAN BEACHES WATER CO	PUNAWAI ST #PUMP
12/05/07	BALANCE FROM PREVIOUS BILLING	\$12,760.01
	PAYMENT - THANK YOU	12,760.01
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 12/31/07	13,690.26
	TOTAL AMOUNT DUE	\$13,690.26

AMOUNTS

J GENERAL SERVICE-DEMAND	
FROM 11/09/07 TO 12/11/07	32 DAYS
MTR# HX000092871	KILOWATT HOURS
CURRENT READING	89061
PREVIOUS READING	42446
DIFFERENCE	46615
MULTIPLIER	1
USAGE	46,615
DEMAND READING	KILOWATTS
MULTIPLIER	86.960
MEASURED DEMAND	86.9
BILLING DEMAND	87.0

B I L L P E R I O D

CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	609.00
ENERGY CHARGE	6,905.83
INTERIM RATE ADJUSTMENT	817.65
ENERGY COST ADJUSTMENT	5,242.35
IRP COST RECOVERY	59.43
TOTAL FOR SERVICE	\$13,690.26

ELECTRIC USAGE PROFILE FOR METER HX00092871					
DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
12/11/07	46615	\$13,690.26	32	1,456.7	427.82
11/09/07	42015	12,760.01	29	1,440.0	440.00
10/11/07	43940	13,154.00	30	1,464.7	438.47
09/11/07	54979	15,796.95	33	1,666.0	478.70
08/09/07	46701	13,648.33	29	1,610.4	470.63
07/11/07	42112	12,717.95	32	1,534.8	428.69
06/09/07	47555	12,864.28	31	1,534.0	414.98
05/09/07	41331	11,320.03	29	1,425.2	390.35

Month	KWH
May 2007	41331
Jun 2007	47555
Jul 2007	42112
Aug 2007	46701
Sep 2007	54979
Oct 2007	43940
Nov 2007	42015
Dec 2007	46615
Jan 2008	1456.7
Feb 2008	1440.0
Mar 2008	1464.7
Apr 2008	1666.0

U S A C E P R O O F F I L E

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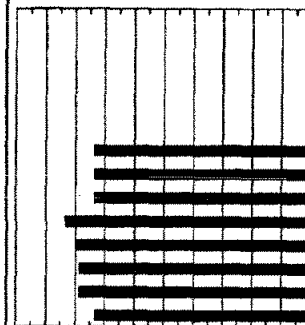
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M J J A S O N D
2007 MONTHS 2007

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

121207 05881 H2



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Celebrating graduation with balloons?
Tie on weights to keep balloons from
escaping and causing a power outage.

ACCOUNT NUMBER		SERVICE ADDRESS	
8601-3554-002	HAWAIIAN BEACHES WATER CO	PUNAWAI ST #PUMP	
A MOUNTS BALANCE PRIOR TO BILLING \$0.00 SERV. ESTABLISHMENT CHG 15.00 CURRENT ELECTRIC SERVICE 10,269.74 CURRENT CHARGES DUE 05/30/07 10,284.74 TOTAL AMOUNT DUE \$10,284.74		B I L L P E R I O D J GENERAL SERVICE-DEMAND FROM 04/10/07 TO 05/09/07 29 DAYS MTR# HX000092871 KILOWATT HOURS CURRENT READING 58144 PREVIOUS READING 16813 DIFFERENCE 41331 MULTIPLIER 1 USAGE 41,331 DEMAND READING KILOWATTS MULTIPLIER 6.520 MEASURED DEMAND 6.5 BILLING DEMAND 25.0	
		C U S T O M E R C H A R G E S CUSTOMER CHARGE \$56.00 DEMAND CHARGE 175.00 ENERGY CHARGE 5,683.06 INTERIM RATE ADJUSTMENT 638.72 ENERGY COST ADJUSTMENT 3,700.61 IRP COST RECOVERY 16.35 TOTAL FOR SERVICE \$10,269.74	
E L E C T R I C U S A G E P R O F I L E DATE 05/09/07 KWH 41331 AMOUNT \$10,269.74 DAYS 29 KWH/DAY 1,425.2 \$/DAY 354.13 <i>W 7/16/07 27,647 52</i> <i>DAVID KORE KUREHARA</i> <i>969-0139</i>		E L E C T R I C U S A G E P R O F I L E FOR METER HX00092871 DATE 05/09/07 KWH 41331 AMOUNT \$10,269.74 DAYS 29 KWH/DAY 1,425.2 \$/DAY 354.13 <i>W 7/16/07 27,647 52</i> <i>DAVID KORE KUREHARA</i> <i>969-0139</i>	

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 007012351 051107 05783 H2

Hawaiian Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

VIEW AND PAY YOUR ELECTRIC BILLS
ON-LINE WITH OUR NEW E-BILL SERVICE!
VISIT WWW.HECO.COM.

ACCOUNT NUMBER

SERVICE ADDRESS

PUNAWAI ST #PUMP

\$11,638.52
\$11,638.52

MAY 05, 2007

THANK YOU FOR MAINTAINING AN EXCELLENT PAYMENT HISTORY AT THIS LOCATION FROM FEB 06, 1976 TO APR 10, 2007. THIS MAY BE USED AS A CREDIT REFERENCE.

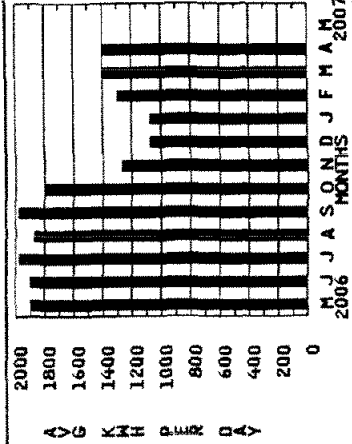
AMOUNTS

J GENERAL SERVICE-DEMAND
FROM 04/10/07 TO 04/10/07 0 DAYS

MTR#	HX000092871	KILDWATT	HOURS
	CURRENT READING		16813
	PREVIOUS READING		<u>16813</u>
	DIFFERENCE		0
	MULTIPLIER		1
	USAGE		<u>0</u>

DEMAND READING	.000
MULTIPLIER	1
MEASURED DEMAND	.0
BILLING DEMAND	.0
KILOWATTS	

ATTN DETAIL



ELECTRIC USAGE PROFILE FOR METER HX00092871

KMH	AMOUNT	DAYS	KMH/DAY	\$/DAY
0				
44777	11,638.55	30	1,359.2	363.70
47991	9,431.06	29	1,236.9	357.47
34112	8,365.21	30	1,095.0	299.85
31607	10,365.44	29	1,227.9	345.04
35900	10,006.24	29	1,227.9	345.04
57101	15,629.78	30	1,795.8	488.45
58049	12,426.70	29	1,825.8	532.06
62599	16,562.04	30	1,993.1	517.78
57820	14,695.59	30	1,934.0	499.66
56666	14,242.98	30	1,896.5	474.77

M J J A S O N D J F M A M 2006 MONTHS 2007

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

041607 05783 H2 G

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

VIEW AND PAY YOUR ELECTRIC BILLS
ON-LINE WITH OUR NEW E-BILL SERVICE!
VISIT WWW.HECO.COM.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #PUMP
04/02/07	BALANCE FROM PREVIOUS BILLING	\$10,723.95
	PAYMENT - THANK YOU	10,723.95
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 04/30/07	11,638.52
	TOTAL AMOUNT DUE	\$11,638.52

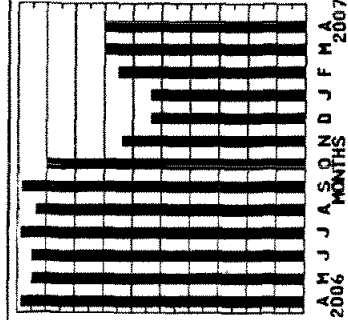
AMOUNTS

J	GENERAL SERVICE-DEMAND
FROM 03/09/07 TO 04/10/07	32 DAYS
MTR# HX000092871	KILOWATT HOURS
CURRENT READING	16813
PREVIOUS READING	72016
DIFFERENCE	44797
MULTIPLIER	1
USAGE	44,797
	KILOWATTS
DEMAND READING	86.550
MULTIPLIER	1
MEASURED DEMAND	86.5
BILLING DEMAND	86.6

BILL DETAIL

CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	606.20
ENERGY CHARGE	6,661.75
INTERIM RATE ADJUSTMENT	148.31
ENERGY COST ADJUSTMENT	4,166.26
TOTAL FOR SERVICE	\$11,638.52

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
04/10/07	44797	\$11,638.52	32	1,399.9	363.70
03/09/07	41777	10,723.95	30	1,392.6	357.47
02/01/07	37691	9,431.02	30	1,392.6	357.47
01/05/07	34112	8,635.21	32	1,066.0	269.85
12/08/06	31607	8,365.44	30	1,053.6	278.85
11/08/06	25900	10,006.24	32	1,237.4	345.04
10/10/06	57101	15,629.78	32	1,784.4	488.43
09/08/06	58049	16,102.60	30	1,835.0	536.75
08/09/06	52049	15,226.70	30	1,695.3	517.78
07/11/06	62499	16,156.04	32	1,835.0	536.75
06/09/06	57420	14,695.69	30	1,714.0	489.86
05/10/06	60885	14,242.98	31	1,696.9	474.77
04/10/06	60285	14,793.22	31	1,944.7	477.20



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

041107 05783 H2 G

Hawaii Electric Light Co., Inc.
 P.O. Box 1027
 Hilo, HI 96721-1027

March into energy savings by
 replacing your old bulbs with CFLs.
 Check www.heco.com for coupons!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #PUMP
03/02/07	BALANCE FROM PREVIOUS BILLING	\$9,431.06
	PAYMENT - THANK YOU	9,431.06
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 03/31/07	10,723.95
	TOTAL AMOUNT DUE	\$10,723.95

AMOUNTS

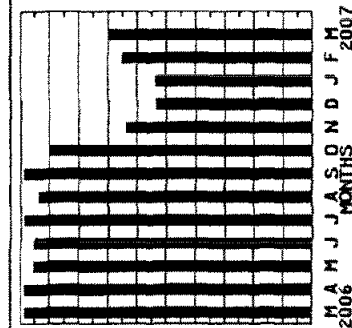
J	GENERAL SERVICE-DEMAND	30 DAYS
FROM 02/07/07 TO 03/09/07		
MTR# HX000092871	KILOWATT HOURS	
CURRENT READING	72016	
PREVIOUS READING	30239	
DIFFERENCE	41777	
MULTIPLIER	1	
USAGE	41,777	
	KILOWATTS	
DEMAND READING	86.200	
MULTIPLIER	1	
MEASURED DEMAND	86.2	
BILLING DEMAND	86.2	

BILL PERIOD

CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	603.40
ENERGY CHARGE	6,258.54
ENERGY COST ADJUSTMENT	3,806.01
TOTAL FOR SERVICE	\$10,723.95

BILL DETAILS

ELECTRIC USAGE PROFILE FOR METER HX000092871	
DATE	AMOUNT
03/09/07	41777
02/07/07	37691
01/09/07	34112
12/08/06	31607
11/08/06	35900
10/08/06	32718
09/08/06	36049
08/09/06	54049
07/11/06	62439
06/09/06	57420
05/10/06	56995
04/10/06	60285
03/10/06	58501



U S A G E P R O F I L E	KWH	DAYS	KWH/DAY	\$/DAY
03/09/07	41777	30	1,392.6	357.47
02/07/07	37691	29	1,299.7	269.85
01/09/07	34112	30	1,137.1	288.75
12/08/06	31607	29	1,090.0	269.85
11/08/06	35900	29	1,237.9	345.04
10/08/06	32718	30	1,090.6	288.75
09/08/06	36049	29	1,243.1	345.04
08/09/06	54049	29	1,863.8	532.06
07/11/06	62439	30	2,081.3	517.78
06/09/06	57420	30	1,914.0	485.86
05/10/06	56995	30	1,899.8	479.77
04/10/06	60285	31	1,944.7	477.20
03/10/06	58501	30	1,950.0	481.39

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

031207 05783 H2 G

Hawaii Electric Light Co., Inc.
 PO Box 1027
 Hilo, HI 96721-1027

Tell her you love her by encouraging
 wise energy use - give her a bouquet
 of compact fluorescent light bulbs!

PAGE 2 OF 2

ACCOUNT NUMBER

SERVICE ADDRESS

PUNAWAI ST #PUMP

MILLER & LIEB WATER CO INC

8601-3554-001

AMOUNTS

SEE PAGE 1

J GENERAL SERVICE-DEMAND

FROM 01/16/07 TO 02/07/07 22 DAYS

MTR# HX000092871 KILOWATT HOURS
 CURRENT READING 30239
 PREVIOUS READING 00000
 DIFFERENCE 30239
 MULTIPLIER 1
 USAGE 30,239

DEMAND READING 86.170 KILOWATTS
 MULTIPLIER 1
 MEASURED DEMAND 86.1
 BILLING DEMAND 86.2

CUSTOMER CHARGE

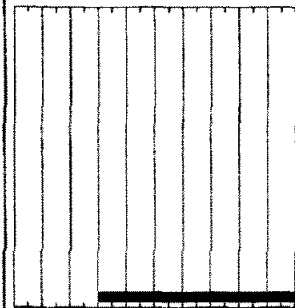
DEMAND CHARGE \$56.00
 ENERGY CHARGE 603.40
 ENERGY COST ADJUSTMENT 5,717.57
 IRP COST RECOVERY 2,971.91
 TOTAL FOR SERVICE 82.18
 \$9,431.06

BILL DETAIL

2000

1800
1600
1400
1200
1000
800
600
400
200
0

AG KWH PER DAY



ELECTRIC USAGE PROFILE

DATE 02/07/07 KWH 30239 KWH/DAY 1,374.5 \$/DAY

USAGE PROFILE

2007

MONTHS

F 2007

020807 05783 H2 G



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

ATTACHMENT CA-IR-16a

Tell her you love her by encouraging
wise energy use - give her a bouquet
of compact fluorescent light bulbs!

ACCOUNT NUMBER

SERVICE ADDRESS

PAGE 1 OF 2

8601-3554-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #PUMP
01/30/07	BALANCE FROM PREVIOUS BILLING	\$8,635.21
	PAYMENT - THANK YOU	8,635.21 -
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 02/27/07	9,431.06
	TOTAL AMOUNT DUE	\$9,431.06

J	GENERAL SERVICE-DEMAND	7 DAYS
FROM 01/09/07 TO 01/16/07		
MTR# HX000092817	KILOWATT HOURS	
CURRENT READING	52125	
PREVIOUS READING	54673	
DIFFERENCE	7452	
MULTIPLIER	1	
USAGE	7,452	
	KILOWATTS	
DEMAND READING	67.370	
MULTIPLIER	1	
MEASURED DEMAND	67.3	
BILLING DEMAND	67.4	

U S A G E P R O F I T	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
	01/16/07	7452		7	1,064.6	
	01/09/07	34112	8,635.21	32	1,066.0	269.85
	11/08/06	31607	8,365.44	30	1,053.6	278.85
	10/08/06	35900	10,006.24	29	1,237.9	345.04
	09/08/06	57101	15,429.78	32	1,786.4	488.43
	08/09/06	54049	15,429.70	29	1,863.8	522.06
	07/11/06	92499	16,569.04	32	1,953.1	517.78
	06/09/06	57420	14,695.69	30	1,914.0	489.86
	05/10/06	56895	14,242.98	30	1,896.5	474.77
	04/10/06	60285	14,793.22	31	1,944.7	477.20
	03/10/06	58028	14,432.58	30	1,950.0	481.39
	02/08/06	56028	14,232.58	29	1,952.0	490.78

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

020807 05783 H2 G

Hawaii Electric Light Co., Inc.
PO Box 1027
Honolulu, HI 96721-1027

Resolve to save energy and money in 2007
by reducing your home electricity use.
Log on to www.heco.com to find out how!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #PUMP
01/04/07	BALANCE FROM PREVIOUS BILLING	\$8,365.44
	PAYMENT - THANK YOU	8,365.44-
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 01/29/07	8,635.21
	TOTAL AMOUNT DUE	\$8,635.21

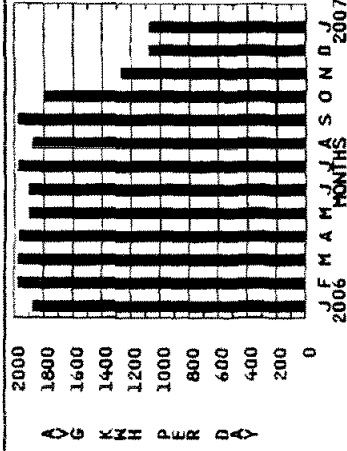
AMOUNTS

J	GENERAL SERVICE-DEMAND	
FROM 12/08/06 TO 01/09/07	32 DAYS	
MTR# HX000092817	KILOWATT HOURS	
CURRENT READING	44673	
PREVIOUS READING	10561	
DIFFERENCE	34112	
MULTIPLIER	1	
USAGE	34,112	
	KILOWATTS	
DEMAND READING	67.310	
MULTIPLIER	1	
MEASURED DEMAND	67.3	
BILLING DEMAND	67.3	

B I L L D E T A I L

CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	471.10
ENERGY CHARGE	5,084.23
ENERGY COST ADJUSTMENT	2,925.84
IRP COST RECOVERY	98.04
TOTAL FOR SERVICE	\$8,635.21

ELECTRIC USAGE PROFILE FOR METER HX00092817						
	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
	01/09/07	34112	\$8,635.21	32	1,066.0	269.85
	12/08/06	31607	8,365.44	30	1,053.6	278.85
	11/08/06	29700	10,006.24	32	1,784.4	345.04
	10/10/06	58049	16,102.40	30	1,935.0	488.43
	09/08/06	58049	16,102.40	30	1,935.0	534.75
	08/09/06	62499	16,569.04	32	1,953.1	517.98
	07/11/06	57420	14,625.69	30	1,914.0	489.86
	06/09/06	56895	14,793.22	30	1,896.5	474.77
	05/10/06	60285	14,793.22	31	1,944.7	477.20
	04/10/06	58501	14,441.56	30	1,950.0	481.39
	03/10/06	58501	14,441.56	30	1,950.0	490.78
	02/10/06	58501	15,108.03	32	1,858.6	472.13



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

011007 05783 H2 G
011007 05783 H2 G



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Decorate with LED holiday lights.
Each bulb uses only 0.04 watts, while
a standard indoor bulb uses 5 watts.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
<p>12/04/08</p> <p>BALANCE FROM PREVIOUS BILLING \$290.83</p> <p>PAYMENT - THANK YOU 290.83</p> <p>BALANCE PRIOR TO BILLING \$0.00</p> <p>CURRENT ELECTRIC SERVICE DUE 12/31/08 260.23</p> <p>TOTAL AMOUNT DUE \$260.23</p>		

<p>G GENERAL SERVICE</p> <p>FROM 11/12/08 TO 12/11/08 29 DAYS</p> <p>MTR# HX000057135 KILOWATT HOURS 80412</p> <p>CURRENT READING 79865</p> <p>PREVIOUS READING 547</p> <p>DIFFERENCE 1</p> <p>MULTIPLIER 547</p> <p>USAGE</p>		<p>CUSTOMER CHARGE \$28.00</p> <p>ENERGY CHARGE 116.84</p> <p>INTERIM RATE ADJUSTMENT 15.64</p> <p>ENERGY COST ADJUSTMENT 99.11</p> <p>IRP COST RECOVERY 0.64</p> <p>TOTAL FOR SERVICE \$260.23</p>
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<p>U S A G E P R O F I L E</p> <p>DATE</p> <p>12/11/08</p> <p>11/12/08</p> <p>10/10/08</p> <p>09/11/08</p> <p>08/11/08</p> <p>07/11/08</p> <p>06/12/08</p> <p>05/12/08</p> <p>04/10/08</p> <p>03/12/08</p> <p>02/11/08</p> <p>12/11/07</p>		<p>ELECTRIC USAGE PROFILE FOR METER HX000057135</p> <p>KWH</p> <p>547</p> <p>594</p> <p>597</p> <p>605</p> <p>580</p> <p>598</p> <p>491</p> <p>558</p> <p>581</p> <p>555</p>		<p>AMOUNT</p> <p>\$260.23</p> <p>290.83</p> <p>291.59</p> <p>292.21</p> <p>275.71</p> <p>263.97</p> <p>222.09</p> <p>244.58</p> <p>258.69</p> <p>212.67</p> <p>225.51</p>		<p>DAYS</p> <p>29</p> <p>33</p> <p>31</p> <p>31</p> <p>31</p> <p>32</p> <p>30</p> <p>31</p> <p>31</p> <p>32</p>		<p>KWH/DAY</p> <p>18.9</p> <p>18.0</p> <p>17.2</p> <p>18.6</p> <p>18.7</p> <p>18.7</p> <p>17.9</p> <p>18.7</p> <p>18.7</p> <p>17.5</p>		<p>\$/DAY</p> <p>8.97</p> <p>8.81</p> <p>8.45</p> <p>8.51</p> <p>8.25</p> <p>7.66</p> <p>8.15</p> <p>8.34</p> <p>9.82</p> <p>7.05</p>	
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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 121208 05881 H2

Hawai Electric Light Co., Inc.
 P.O. Box 1027
 Honolulu, HI 96721-1027

Use ENERGY STAR appliances
 To save Energy, the Environment
 And \$\$\$ on your electric bill.

COUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO	PUNAWAI ST #WHSE
11/29/07	BALANCE FROM PREVIOUS BILLING	\$204.56
	PAYMENT - THANK YOU	204.56
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 12/31/07	225.51
	TOTAL AMOUNT DUE	\$225.51

AMOUNTS

B I L L P E R I O D	G E N E R A L S E R V I C E
	FROM 11/09/07 TO 12/11/07 32 DAYS
	MTR# HX000057135 KILOWATT HOURS
	CURRENT READING 73718
	PREVIOUS READING 73163
	DIFFERENCE 555
	MULTIPLIER 1
	USAGE 555
	CUSTOMER CHARGE \$28.00
	ENERGY CHARGE 118.55
	INTERIM RATE ADJUSTMENT 15.83
	ENERGY COST ADJUSTMENT 62.42
	IRP COST RECOVERY 0.71
	TOTAL FOR SERVICE \$225.51

B I L L D E T A I L

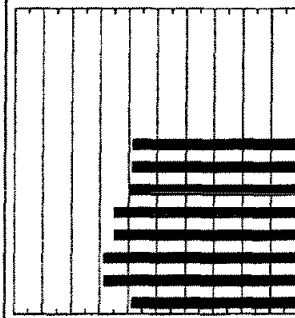
ELECTRIC USAGE PROFILE FOR METER HX00057135						
	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
30	12/11/07	555	\$225.51	32	17.3	7.05
27	11/09/07	486	204.56	29	16.8	7.05
24	10/11/07	552	226.64	30	18.4	7.55
21	09/11/07	630	251.10	33	19.1	7.61
18	08/09/07	556	225.25	29	19.2	7.77
15	07/11/07	620	250.00	31	20.0	7.98
12	06/10/07	622	252.12	31	20.1	7.98
9	05/09/07	484	189.10	29	16.7	6.52
6						
3						
0						

30
27
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21
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3
0

KWH PER DAY

U S A G E P R O F I L E

M J J A S O N D
2007 MONTHS



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

121207 05881 H2
 121207 05881 H2

Hawaii Electric Light Co., Inc.
 P.O. Box 1027
 Hilo, HI 96721-1027

Celebrating graduation with balloons?
 Tie on weights to keep balloons from
 escaping and causing a power outage.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO	PUNAWAI ST #WHSE
BALANCE PRIOR TO BILLING \$0.00 SERV. ESTABLISHMENT CHG 15.00 CURRENT ELECTRIC SERVICE 189.10 CURRENT CHARGES DUE 05/29/07 204.10 TOTAL AMOUNT DUE \$204.10		
A M O U N T S		

G GENERAL SERVICE FROM 04/10/07 TO 05/09/07 29 DAYS MTR# HX000057135 KILOWATT HOURS CURRENT READING 69667 PREVIOUS READING 69183 DIFFERENCE 484 MULTIPLIER 1 USAGE 484		CUSTOMER CHARGE \$28.00 ENERGY CHARGE 103.38 INTERIM RATE ADJUSTMENT 14.19 ENERGY COST ADJUSTMENT 43.34 IRP COST RECOVERY 0.19 TOTAL FOR SERVICE \$189.10
B I L L P E R I O D		B I L L D E T A I L

U S A G E P R O F I L E 20 18 16 14 12 10 8 6 4 2 0 A G K W H P E R D A DATE 05/09/07 KWH 484 AMOUNT \$189.10 DAYS 29 KWH/DAY 16.7 \$/DAY 6.52		ELECTRIC USAGE PROFILE FOR METER HX00057135 2007 MONTHS 2007
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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

007012351 051007 05783 H2

Hawaii Electric Light Co., Inc.
 PO Box 1027
 Hilo, HI 96721-1027

VIEW AND PAY YOUR ELECTRIC BILLS
 ON-LINE WITH OUR NEW E-BILL SERVICE!
 VISIT WWW.HECO.COM.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #WHSE
BALANCE PRIOR TO BILLING \$208.60 CURRENT ELECTRIC SERVICE .00 FINAL AMOUNT DUE BY MAY 05, 2007 \$208.60		
THANK YOU FOR MAINTAINING AN EXCELLENT PAYMENT HISTORY AT THIS LOCATION FROM AUG 06, 1975 TO APR 10, 2007. THIS MAY BE USED AS A CREDIT REFERENCE.		

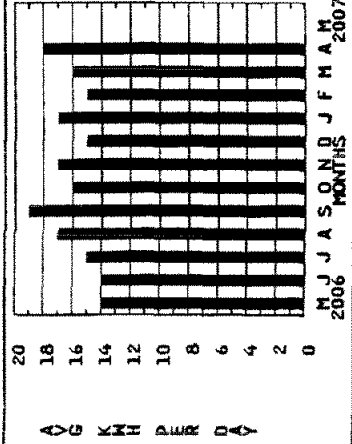
AMOUNTS

G GENERAL SERVICE	
FROM 04/10/07 TO 04/10/07	0 DAYS
MTR# HX000057135	KILOWATT HOURS
CURRENT READING	69183
PREVIOUS READING	69183
DIFFERENCE	0
MULTIPLIER	1
USAGE	0

BILL PERIOD

BILL DETAIL

USAGE PROFILE		ELECTRIC USAGE PROFILE FOR METER HX000057135				
DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY	
04/10/07	0					
04/10/07	579	208.60	32	18.1	6.52	
03/09/07	478	173.85	30	15.1	5.79	
02/07/07	438	157.06	29	15.1	5.42	
01/09/07	554	195.45	32	17.3	6.11	
12/08/06	502	169.17	29	15.3	5.82	
11/08/06	524	201.19	32	16.4	6.29	
10/10/06	567	217.70	30	18.9	7.26	
09/08/06	486	194.36	29	16.8	6.70	
07/11/06	472	180.94	32	14.8	5.65	
06/09/06	475	169.66	30	13.8	5.18	
05/10/06	415	155.42	30			



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

041607 05783 H2 G

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

VIEW AND PAY YOUR ELECTRIC BILLS
ON-LINE WITH OUR NEW E-BILL SERVICE!
VISIT WWW.HECO.COM.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #WHSE
04/02/07	BALANCE FROM PREVIOUS BILLING	\$173.65
	PAYMENT - THANK YOU	173.65-
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 04/30/07	208.60
	TOTAL AMOUNT DUE	\$208.60

AMOUNTS

B I L L P E R I O D	G GENERAL SERVICE
	FROM 03/09/07 TO 04/10/07 32 DAYS
	MTR# HX000057135 KILOWATT HOURS
	CURRENT READING 69183
	PREVIOUS READING 68604
	DIFFERENCE 579
	MULTIPLIER 1
	USAGE 579
	CUSTOMER CHARGE \$28.00
	ENERGY CHARGE 123.68
	INTERIM RATE ADJUSTMENT 3.07
	ENERGY COST ADJUSTMENT 53.85
	TOTAL FOR SERVICE \$208.60

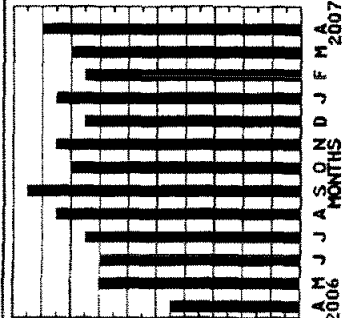
B I L L D E T A I L

ELECTRIC USAGE PROFILE FOR METER HX00057135						
	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
	04/10/07	579	\$208.60	32	16.1	6.52
	03/09/07	478	173.65	30	15.9	5.79
	02/07/07	438	157.06	29	15.1	5.42
	01/08/07	534	195.45	32	17.3	6.11
	12/08/06	458	170.39	30	15.3	5.68
	11/08/06	502	189.16	29	16.4	6.29
	10/10/06	524	201.19	32	16.4	6.29
	09/08/06	567	217.70	30	18.9	7.36
	08/07/06	498	184.36	29	16.8	6.48
	07/11/06	472	180.94	32	14.8	5.65
	06/09/06	475	180.89	30	14.1	5.36
	05/10/06	290	116.00	31	9.4	3.74

20
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A M J J A S O N D J F M A
2006 2007

U S A G E P R O F I L E



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

041107 05783 H2 G

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

March into energy savings by
replacing your old bulbs with CFLs.
Check www.heco.com for coupons!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #WHSE
03/02/07	BALANCE FROM PREVIOUS BILLING	\$157.06
	PAYMENT - THANK YOU	157.06
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 03/31/07	173.65
	TOTAL AMOUNT DUE	\$173.65

AMOUNTS

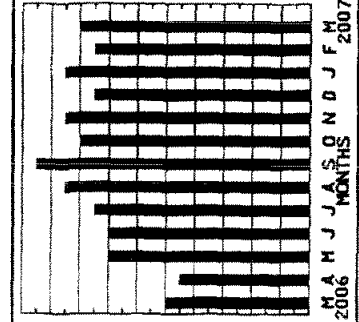
G GENERAL SERVICE	
FROM 02/07/07 TO 03/09/07	30 DAYS
MTR# HX000057135	KILOWATT HOURS
CURRENT READING	68604
PREVIOUS READING	68126
DIFFERENCE	478
MULTIPLIER	1
USAGE	478

BILL PERIOD

CUSTOMER CHARGE	\$28.00
ENERGY CHARGE	102.10
ENERGY COST ADJUSTMENT	43.55
TOTAL FOR SERVICE	\$173.65

BILL DETAIL

ELECTRIC USAGE PROFILE FOR METER HX00057135	
DATE	KWH
03/09/07	478
02/07/07	438
01/09/07	524
12/08/06	458
11/08/06	502
10/10/06	527
09/08/06	527
08/09/06	488
07/11/06	472
06/09/06	424
05/10/06	415
04/10/06	398
03/10/06	297



USAGE PROFILE

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

031207 05783 H2 G



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Tell her you love her by encouraging
wise energy use - give her a bouquet
of compact fluorescent light bulbs!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-001	MILLER & LIEB WATER CO INC	PUNAWAI ST #WHSE
01/30/07	BALANCE FROM PREVIOUS BILLING	\$195.45
	PAYMENT - THANK YOU	195.45
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 02/27/07	157.06
	TOTAL AMOUNT DUE	\$157.06

G GENERAL SERVICE	FROM 01/09/07 TO 02/07/07 29 DAYS
MTR# HX000057135	KILOWATT HOURS
CURRENT READING	68126
PREVIOUS READING	67688
DIFFERENCE	438
MULTIPLIER	1
USAGE	438

B I L L D E T A I L	
CUSTOMER CHARGE	\$28.00
ENERGY CHARGE	93.56
ENERGY COST ADJUSTMENT	34.54
IRP COST RECOVERY	0.96
TOTAL FOR SERVICE	\$157.06

ELECTRIC USAGE PROFILE FOR METER HX00057135					
DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
02/07/07	438	\$157.06	29	15.1	5.42
01/09/07	554	195.45	32	17.3	9.11
12/08/06	458	170.39	30	15.3	5.68
11/08/06	502	189.16	29	17.3	6.52
10/10/06	524	201.19	32	16.4	9.29
09/08/06	488	217.70	32	16.8	6.70
08/09/06	472	194.56	32	14.8	5.65
07/11/06	424	180.94	32	14.8	5.65
06/09/06	415	155.42	30	13.8	5.18
05/10/06	290	116.00	31	9.4	3.74
04/10/06	266	110.55	29	9.2	3.81

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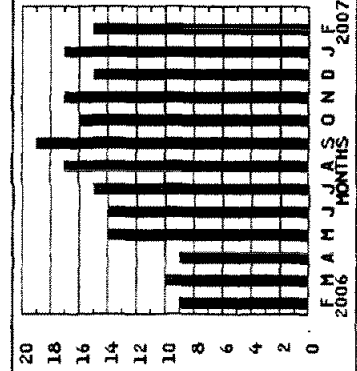
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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

020807 05783 H2 G

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Resolve to save energy and money in 2007
by reducing your home electricity use.
Log on to www.heco.com to find out how!

ACCOUNT NUMBER		SERVICE ADDRESS																																																																																					
8601-3553-001		PUNAWAI ST #WHSE																																																																																					
01/04/07		BALANCE FROM PREVIOUS BILLING																																																																																					
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		BALANCE PRIOR TO BILLING																																																																																					
		CURRENT ELECTRIC SERVICE DUE 01/29/07																																																																																					
		TOTAL AMOUNT DUE																																																																																					
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<p>G GENERAL SERVICE</p> <p>FROM 12/08/06 TO 01/09/07 32 DAYS</p> <p>MTR# HX000057135 KILOWATT HOURS</p> <p>CURRENT READING 67688</p> <p>PREVIOUS READING 67134</p> <p>DIFFERENCE 554</p> <p>MULTIPLIER 1</p> <p>USAGE 554</p>		<p>CUSTOMER CHARGE \$28.00</p> <p>ENERGY CHARGE 118.34</p> <p>ENERGY COST ADJUSTMENT 47.52</p> <p>IRP COST RECOVERY 1.59</p> <p>TOTAL FOR SERVICE \$195.45</p>																																																																																					
B I L L P E R I O D																																																																																							
<p>U S A G E P R O F I L E</p> <p>J F M A M J J A S O N D 2006</p>		<p>ELECTRIC USAGE PROFILE FOR METER HX000057135</p> <table border="1"> <thead> <tr> <th>DATE</th> <th>KWH</th> <th>AMOUNT</th> <th>DAYS</th> <th>KWH/DAY</th> <th>\$/DAY</th> </tr> </thead> <tbody> <tr> <td>01/09/07</td> <td>554</td> <td>\$195.45</td> <td>32</td> <td>17.3</td> <td>6.11</td> </tr> <tr> <td>12/08/06</td> <td>458</td> <td>170.39</td> <td>30</td> <td>15.3</td> <td>5.68</td> </tr> <tr> <td>11/08/06</td> <td>502</td> <td>189.16</td> <td>32</td> <td>17.3</td> <td>6.52</td> </tr> <tr> <td>10/08/06</td> <td>524</td> <td>201.19</td> <td>32</td> <td>16.4</td> <td>6.29</td> </tr> <tr> <td>09/08/06</td> <td>567</td> <td>217.70</td> <td>30</td> <td>18.9</td> <td>7.26</td> </tr> <tr> <td>08/08/06</td> <td>488</td> <td>184.36</td> <td>32</td> <td>15.3</td> <td>5.68</td> </tr> <tr> <td>07/08/06</td> <td>472</td> <td>180.34</td> <td>32</td> <td>14.8</td> <td>5.65</td> </tr> <tr> <td>06/08/06</td> <td>424</td> <td>160.66</td> <td>30</td> <td>14.1</td> <td>5.36</td> </tr> <tr> <td>05/08/06</td> <td>415</td> <td>155.42</td> <td>30</td> <td>13.8</td> <td>5.18</td> </tr> <tr> <td>04/08/06</td> <td>290</td> <td>116.00</td> <td>31</td> <td>9.4</td> <td>3.74</td> </tr> <tr> <td>03/08/06</td> <td>297</td> <td>118.36</td> <td>30</td> <td>9.9</td> <td>3.95</td> </tr> <tr> <td>02/08/06</td> <td>366</td> <td>140.55</td> <td>32</td> <td>11.4</td> <td>4.52</td> </tr> <tr> <td>01/08/06</td> <td>310</td> <td>125.20</td> <td>32</td> <td>9.7</td> <td>3.91</td> </tr> </tbody> </table>		DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY	01/09/07	554	\$195.45	32	17.3	6.11	12/08/06	458	170.39	30	15.3	5.68	11/08/06	502	189.16	32	17.3	6.52	10/08/06	524	201.19	32	16.4	6.29	09/08/06	567	217.70	30	18.9	7.26	08/08/06	488	184.36	32	15.3	5.68	07/08/06	472	180.34	32	14.8	5.65	06/08/06	424	160.66	30	14.1	5.36	05/08/06	415	155.42	30	13.8	5.18	04/08/06	290	116.00	31	9.4	3.74	03/08/06	297	118.36	30	9.9	3.95	02/08/06	366	140.55	32	11.4	4.52	01/08/06	310	125.20	32	9.7	3.91
DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY																																																																																		
01/09/07	554	\$195.45	32	17.3	6.11																																																																																		
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ATTACHMENT
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ATTACHMENT CA-IR-16b

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

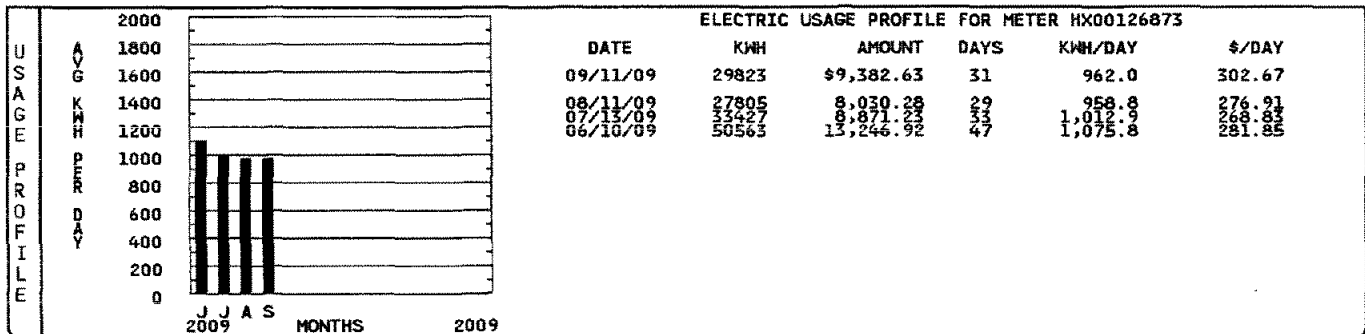
Turn up the thermostat a few degrees to
SAVE energy and \$\$ on air conditioning.
Check helcohi.com for more tips.

ACCOUNT NUMBER

SERVICE ADDRESS

0900-1266-001		HAWAIIAN BEACHES WATER CO, INC	15966 PUNAWAI ST #PUMP
A M O U N T S	09/03/09	BALANCE FROM PREVIOUS BILLING	\$8,030.28
		PAYMENT - THANK YOU	8,030.28-
		BALANCE PRIOR TO BILLING	\$0.00
		CURRENT ELECTRIC SERVICE DUE 10/04/09	9,382.63
		TOTAL AMOUNT DUE	\$9,382.63

B I L L P E R I O D	J GENERAL SERVICE-DEMAND		CUSTOMER CHARGE		\$56.00
	FROM 08/11/09 TO 09/11/09 31 DAYS		DEMAND CHARGE		935.90
	MTR# HX000126873	KILOWATT HOURS	ENERGY CHARGE		4,839.88
			INTERIM RATE ADJUSTMENT		629.83
			PBF SURCHARGE		30.27
			ENERGY COST ADJUSTMENT		2,890.75
			TOTAL FOR SERVICE		\$9,382.63
B I L L D E T A I L	DEMAND READING				
	MULTIPLIER				
	MEASURED DEMAND				
	BILLING DEMAND				



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

007012351 091509 05881 H2

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027
Telephone (Hilo 969-6999)
(Kona 329-3584)(Waimea 885-4605)

ACCOUNT NUMBER

0900-1266-001

DATE DUE

OCT 04, 2009

TOTAL AMOUNT DUE

\$9,382.63

AMOUNT ENCLOSED

PLEASE MAKE CHECKS
PAYABLE TO:

HELCO
PO Box 909
Honolulu, HI 96808-0909

|||||
HAWAIIAN BEACHES WATER CO, INC
PO BOX 22
PAHOA HI 96778-0022

31 090012660016 000000000000 00000938263

Electric Light Co., Inc.
Box 1027
Hilo, HI 96721-1027

When picking fruit or trimming trees
keep your ladder, tools, and body
at least 10 feet from power lines.

ACCOUNT NUMBER

SERVICE ADDRESS

0900-1266-001

HAWAIIAN BEACHES WATER CO, INC

15966 PUNAWAI ST #PUMP

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08/07/09	BALANCE FROM PREVIOUS BILLING	\$8,871.23
	PAYMENT - THANK YOU	8,871.23-
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 08/31/09	8,030.28
	TOTAL AMOUNT DUE	\$8,030.28

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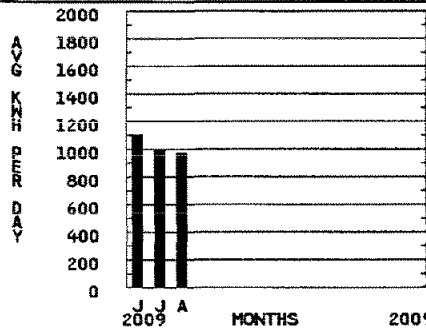
J GENERAL SERVICE-DEMAND
FROM 07/13/09 TO 08/11/09 29 DAYS

MTR# HX000126873	KILOWATT HOURS
CURRENT READING	11795
PREVIOUS READING	83920
DIFFERENCE	27805
MULTIPLIER	1
USAGE	27,805

	KILOWATTS
DEMAND READING	94.030
MULTIPLIER	1
MEASURED DEMAND	94.0
BILLING DEMAND	94.0

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CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	658.00
ENERGY CHARGE	4,376.46
INTERIM RATE ADJUSTMENT	549.77
PBF SURCHARGE	28.22
ENERGY COST ADJUSTMENT	2,361.83
TOTAL FOR SERVICE	\$8,030.28

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ELECTRIC USAGE PROFILE FOR METER HX00126873

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
08/11/09	27805	\$8,030.28	29	958.8	276.91
07/13/09	33427	8,871.23	33	1,012.9	268.83
06/10/09	50563	13,246.92	47	1,075.8	281.85

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

081209 05881 H2



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

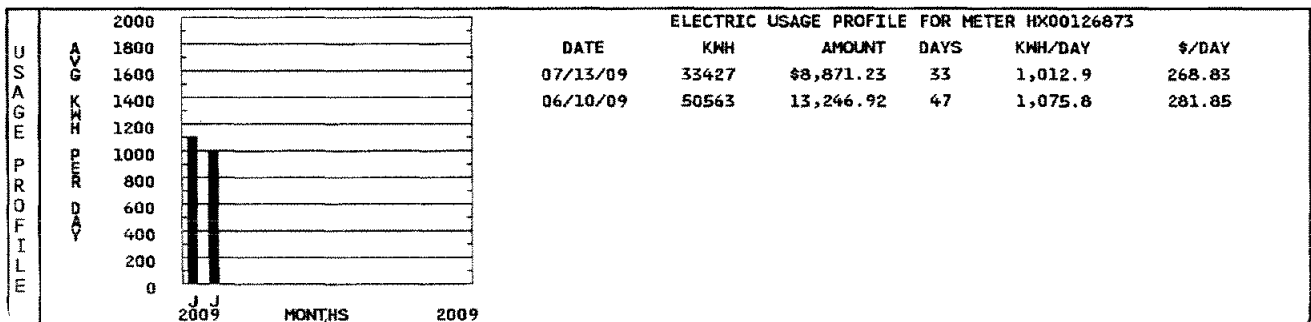
REPAIR HOT WATER LEAKS -
Hot water leaks are a frequent cause of
extreme increases in energy costs.

ACCOUNT NUMBER

SERVICE ADDRESS

0900-1266-001	HAWAIIAN BEACHES WATER CO, INC	15966 PUNAWAI ST #PUMP	
A M O U N T S	07/13/09	BALANCE FROM PREVIOUS BILLING	\$13,246.92
		PAYMENT - THANK YOU	13,246.92-
		BALANCE PRIOR TO BILLING	\$0.00
		CURRENT ELECTRIC SERVICE DUE 08/02/09	8,871.23
		TOTAL AMOUNT DUE	\$8,871.23

B I L L P E R I O D	J	GENERAL SERVICE-DEMAND							
		FROM 06/10/09 TO 07/13/09 33 DAYS							
		MTR# HX000126873	KILOWATT HOURS						
		CURRENT READING	83990						
		PREVIOUS READING	50563						
		DIFFERENCE	33427						
		MULTIPLIER	1						
		USAGE	33,427						
B I L L D E T A I L			KILOWATTS						
		DEMAND READING	87.170						
		MULTIPLIER	1						
		MEASURED DEMAND	87.2						
		BILLING DEMAND	87.2						
B I L L D E T A I L		CUSTOMER CHARGE	\$56.00						
		DEMAND CHARGE	610.40						
		ENERGY CHARGE	5,146.92						
		INTERIM RATE ADJUSTMENT	627.84						
		PBF SURCHARGE	33.93						
		ENERGY COST ADJUSTMENT	2,410.12						
		IRP COST RECOVERY	13.98-						
		TOTAL FOR SERVICE	\$8,871.23						



THEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

071409 05881 H2 G

Hawaii Electric Light Co., Inc.
 PO Box 1027
 Hilo, HI 96721-1027

Hurricane season runs from June to November. Be prepared with a home survival kit. Tips at helcohi.com!

ACCOUNT NUMBER

SERVICE ADDRESS

0900-1266-001	HAWAIIAN BEACHES WATER CO, INC	15966 PUNAWAI ST #PUMP
BALANCE PRIOR TO BILLING		
CURRENT ELECTRIC SERVICE DUE 07/11/09		\$0.00
TOTAL AMOUNT DUE		13,246.92
		\$13,246.92

AMOUNTS

J GENERAL SERVICE-DEMAND			
FROM 04/24/09 TO 06/10/09 47 DAYS			
MTR# HX000126873	KILOWATT	HOURS	
CURRENT READING	50563		
PREVIOUS READING	00000		
DIFFERENCE	50563		
MULTIPLIER	1		
USAGE	50,563		
		KILOWATTS	
DEMAND READING	91.410		
MULTIPLIER	1		
MEASURED DEMAND	91.4		
BILLING DEMAND	91.4		

BILL PERIOD

CUSTOMER CHARGE		\$87.73
DEMAND CHARGE		1,002.35
ENERGY CHARGE		7,835.44
INTERIM RATE ADJUSTMENT		963.96
PBF SURCHARGE		51.32
ENERGY COST ADJUSTMENT		3,324.04
IRP COST RECOVERY		17.92
TOTAL FOR SERVICE		\$13,246.92

BILL DETAIL

ELECTRIC USAGE PROFILE FOR METER HX00126873			
DATE	KWH	AMOUNT	DAYS
06/10/09	50563	\$13,246.92	47
			1,075.8
			281.85
USAGE PROFILE			
2000			
1800			
1600			
1400			
1200			
1000			
800			
600			
400			
200			
0			
MONTHS			
2009			
2009			

USAGE PROFILE

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Look for the ENERGY STAR label
When buying appliances.
You'll save in the long run.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-002

HAWAIIAN BEACHES WATER CO, INC

PUNAWAI ST #PUMP

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BALANCE PRIOR TO BILLING
CURRENT ELECTRIC SERVICE DUE 04/07/09
FINAL AMOUNT DUE BY APRIL 07, 2009

\$9,021.93
1,582.53
\$10,604.46

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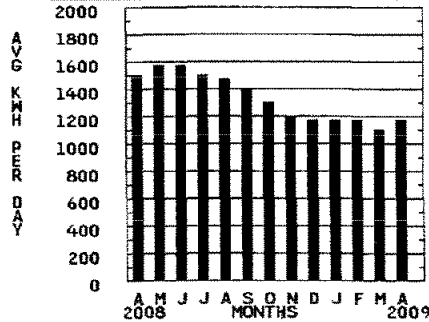
J GENERAL SERVICE-DEMAND
FROM 03/11/09 TO 03/16/09 5 DAYS

MTR# HX000092871 KILOWATT HOURS
CURRENT READING 17387
PREVIOUS READING 11756
DIFFERENCE 5631
MULTIPLIER 1
USAGE 5,631

KILOWATTS
DEMAND READING 85.540
MULTIPLIER 1
MEASURED DEMAND 85.5
BILLING DEMAND 85.5

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CUSTOMER CHARGE \$9.33
DEMAND CHARGE 99.75
ENERGY CHARGE 865.08
INTERIM RATE ADJUSTMENT 105.21
PBF SURCHARGE 5.72
ENERGY COST ADJUSTMENT 486.52
IRP COST RECOVERY 10.92
TOTAL FOR SERVICE \$1,582.53

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ELECTRIC USAGE PROFILE FOR METER HX00092871

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
03/16/09	5631	\$1,582.53	5	1,126.2	316.51
03/11/09	32390	9,021.93	29	1,116.9	311.10
02/10/09	31507	9,420.45	28	1,125.3	336.44
01/13/09	38143	12,768.09	33	1,155.8	386.91
12/11/08	33089	12,406.08	29	1,141.0	427.80
11/12/08	29590	12,287.05	32	1,199.7	465.24
10/10/08	38258	15,596.63	29	1,319.2	537.81
09/11/08	42621	16,947.34	31	1,374.9	546.69
08/11/08	44339	16,947.97	31	1,449.6	546.71
07/11/08	43411	15,879.24	29	1,496.9	547.56
06/12/08	48383	16,613.40	31	1,560.7	535.92
05/12/08	49254	16,301.58	32	1,539.2	509.42
04/10/08	43080	14,430.29	29	1,485.5	497.61

WHEN PAYING IN PERSON PLEASE PRESENT BOTH PORTIONS

007012351 031909 05881 H2



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Look for the ENERGY STAR label
When buying appliances.
You'll save in the long run.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-002

HAWAIIAN BEACHES WATER CO, INC

PUNAWAI ST #PUMP

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03/05/09

BALANCE FROM PREVIOUS BILLING

\$9,420.45

PAYMENT - THANK YOU

9,420.45-

BALANCE PRIOR TO BILLING

\$0.00

CURRENT ELECTRIC SERVICE DUE 03/31/09

9,021.93

TOTAL AMOUNT DUE

\$9,021.93

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J GENERAL SERVICE-DEMAND
FROM 02/10/09 TO 03/11/09 29 DAYS

MTR# HX000092871

KILOWATT HOURS

CURRENT READING

11756

PREVIOUS READING

79366

DIFFERENCE

32390

MULTIPLIER

1

USAGE

32,390

KILOWATTS

DEMAND READING

86.220

MULTIPLIER

1

MEASURED DEMAND

86.2

BILLING DEMAND

86.2

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CUSTOMER CHARGE

\$56.00

DEMAND CHARGE

603.40

ENERGY CHARGE

4,994.81

INTERIM RATE ADJUSTMENT

610.65

PBF SURCHARGE

32.88

ENERGY COST ADJUSTMENT

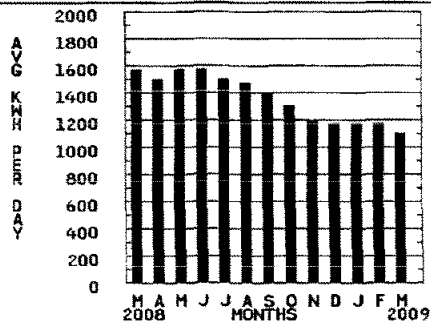
2,661.39

IRP COST RECOVERY

62.80

TOTAL FOR SERVICE

\$9,021.93

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ELECTRIC USAGE PROFILE FOR METER HX000092871

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
03/11/09	32390	\$9,021.93	29	1,116.9	311.10
02/10/09	31507	9,420.45	28	1,125.3	336.44
01/13/09	30143	12,768.09	35	1,155.8	386.91
12/11/08	33089	12,406.08	29	1,141.0	427.80
11/12/08	39590	15,287.05	33	1,199.7	463.24
10/10/08	38258	15,596.63	29	1,319.2	537.81
09/11/08	42621	16,947.34	31	1,374.9	546.69
08/11/08	44939	16,947.97	31	1,449.6	549.71
07/11/08	43411	15,879.24	29	1,496.9	547.88
06/12/08	48383	16,613.40	31	1,560.7	535.92
05/12/08	49254	16,301.58	32	1,539.2	509.42
04/10/08	43080	14,430.69	29	1,485.5	497.61
03/12/08	46691	15,851.04	30	1,556.4	528.37

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

031209 05881 H2



See the light make the change!
Switch to compact fluorescent bulbs
(CFL) to save on your electric bill.

ACCOUNT NUMBER		SERVICE ADDRESS																																																																															
8601-3554-002		PUNAWAI ST #PUMP																																																																															
HAWAIIAN BEACHES WATER CO, INC																																																																																	
02/09/09		BALANCE FROM PREVIOUS BILLING \$12,768.09																																																																															
		PAYMENT - THANK YOU 12,768.09-																																																																															
		BALANCE PRIOR TO BILLING \$0.00																																																																															
		CURRENT ELECTRIC SERVICE DUE 03/02/09 9,420.45																																																																															
		TOTAL AMOUNT DUE \$9,420.45																																																																															
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J GENERAL SERVICE-DEMAND																																																																																	
FROM 01/13/09 TO 02/10/09 28 DAYS																																																																																	
MTR# HX000092871 KILOWATT HOURS																																																																																	
CURRENT READING 79366																																																																																	
PREVIOUS READING 47859																																																																																	
DIFFERENCE 31507																																																																																	
MULTIPLIER 1																																																																																	
USAGE 31,507																																																																																	
KILOWATTS 86.150																																																																																	
DEMAND READING 1																																																																																	
MULTIPLIER 86.2																																																																																	
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ELECTRIC USAGE PROFILE FOR METER HX00092871																																																																																	
<table border="1"> <thead> <tr> <th>DATE</th> <th>KWH</th> <th>AMOUNT</th> <th>DAYS</th> <th>KWH/DAY</th> <th>\$/DAY</th> </tr> </thead> <tbody> <tr> <td>02/10/09</td> <td>31507</td> <td>\$9,420.45</td> <td>28</td> <td>1,125.3</td> <td>336.44</td> </tr> <tr> <td>01/13/09</td> <td>38143</td> <td>12,768.09</td> <td>33</td> <td>1,155.8</td> <td>386.81</td> </tr> <tr> <td>12/11/08</td> <td>32088</td> <td>12,768.09</td> <td>33</td> <td>1,155.8</td> <td>386.81</td> </tr> <tr> <td>11/12/08</td> <td>39590</td> <td>15,287.05</td> <td>33</td> <td>1,199.7</td> <td>463.80</td> </tr> <tr> <td>10/10/08</td> <td>38258</td> <td>15,596.63</td> <td>29</td> <td>1,319.2</td> <td>537.81</td> </tr> <tr> <td>09/11/08</td> <td>42621</td> <td>16,947.97</td> <td>31</td> <td>1,334.9</td> <td>546.69</td> </tr> <tr> <td>08/11/08</td> <td>44939</td> <td>16,947.97</td> <td>31</td> <td>1,449.6</td> <td>546.71</td> </tr> <tr> <td>07/11/08</td> <td>43411</td> <td>15,872.24</td> <td>29</td> <td>1,466.9</td> <td>547.56</td> </tr> <tr> <td>06/12/08</td> <td>49282</td> <td>16,501.58</td> <td>32</td> <td>1,539.2</td> <td>535.92</td> </tr> <tr> <td>05/12/08</td> <td>46691</td> <td>14,430.69</td> <td>29</td> <td>1,485.5</td> <td>497.61</td> </tr> <tr> <td>04/10/08</td> <td>43080</td> <td>15,851.04</td> <td>29</td> <td>1,511.8</td> <td>528.37</td> </tr> <tr> <td>03/12/08</td> <td>46691</td> <td>15,886.76</td> <td>31</td> <td>1,511.8</td> <td>506.02</td> </tr> </tbody> </table>				DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY	02/10/09	31507	\$9,420.45	28	1,125.3	336.44	01/13/09	38143	12,768.09	33	1,155.8	386.81	12/11/08	32088	12,768.09	33	1,155.8	386.81	11/12/08	39590	15,287.05	33	1,199.7	463.80	10/10/08	38258	15,596.63	29	1,319.2	537.81	09/11/08	42621	16,947.97	31	1,334.9	546.69	08/11/08	44939	16,947.97	31	1,449.6	546.71	07/11/08	43411	15,872.24	29	1,466.9	547.56	06/12/08	49282	16,501.58	32	1,539.2	535.92	05/12/08	46691	14,430.69	29	1,485.5	497.61	04/10/08	43080	15,851.04	29	1,511.8	528.37	03/12/08	46691	15,886.76	31	1,511.8	506.02
DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY																																																																												
02/10/09	31507	\$9,420.45	28	1,125.3	336.44																																																																												
01/13/09	38143	12,768.09	33	1,155.8	386.81																																																																												
12/11/08	32088	12,768.09	33	1,155.8	386.81																																																																												
11/12/08	39590	15,287.05	33	1,199.7	463.80																																																																												
10/10/08	38258	15,596.63	29	1,319.2	537.81																																																																												
09/11/08	42621	16,947.97	31	1,334.9	546.69																																																																												
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03/12/08	46691	15,886.76	31	1,511.8	506.02																																																																												
US A G E P R O F I L E																																																																																	

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Resolve to use electricity WISELY.
Log on to www.helcohi.com to
Find safety and energy-saving tips.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3554-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #PUMP
01/07/09	BALANCE FROM PREVIOUS BILLING	\$12,406.08
	PAYMENT - THANK YOU	12,406.08
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 02/02/09	12,768.09
	TOTAL AMOUNT DUE	\$12,768.09

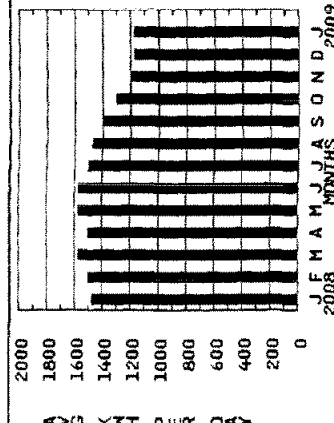
AMOUNTS

J	GENERAL SERVICE-DEMAND	33 DAYS
FROM 12/11/08 TO 01/13/09		
MTR# HX000092871	KILOWATT HOURS	
CURRENT READING	47859	
PREVIOUS READING	09716	
DIFFERENCE	38143	
MULTIPLIER	1	
USAGE	38,143	
	KILOWATTS	
DEMAND READING	86.040	
MULTIPLIER	1	
MEASURED DEMAND	86.0	
BILLING DEMAND	86.0	

B I L L D E T A I L

CUSTOMER CHARGE	\$56.00
DEMAND CHARGE	602.00
ENERGY CHARGE	5,775.72
INTERIM RATE ADJUSTMENT	694.84
PBF SURCHARGE	15.25
ENERGY COST ADJUSTMENT	5,568.31
IRP COST RECOVERY	55.97
TOTAL FOR SERVICE	\$12,768.09

ELECTRIC USAGE PROFILE FOR METER HX00092871			
DATE	KWH	AMOUNT	DAYS
01/13/09	38143	\$12,768.09	33
12/11/08	33089	12,406.08	29
11/12/08	39590	15,287.05	33
10/10/08	38258	15,596.63	29
09/11/08	42421	16,947.34	31
08/11/08	42421	15,879.24	29
07/11/08	48383	16,613.40	31
06/12/08	49254	16,301.58	32
05/10/08	43080	14,430.69	29
04/12/08	46491	15,851.04	30
03/11/08	44442	13,943.36	31
02/11/08			
01/11/08			



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 011409 05881 H2

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

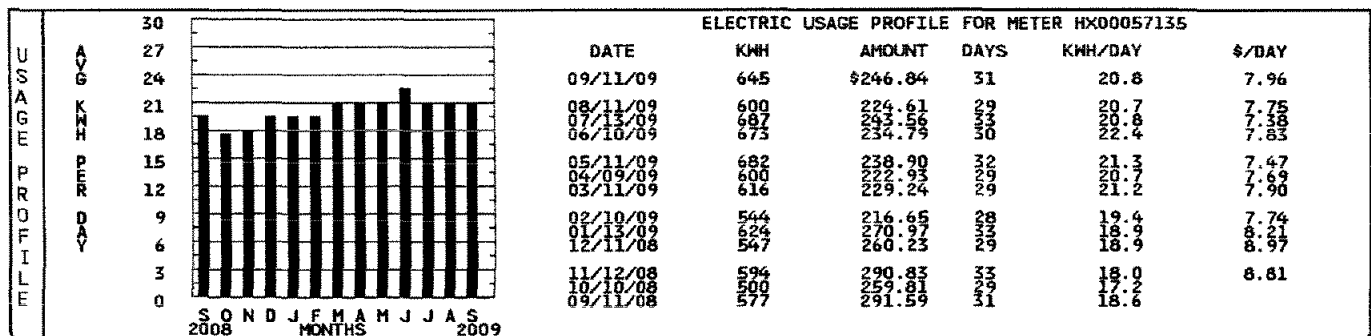
Turn up the thermostat a few degrees to
SAVE energy and \$\$ on air conditioning.
Check helcohi.com for more tips.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
09/03/09	BALANCE FROM PREVIOUS BILLING	\$224.61
	PAYMENT - THANK YOU	<u>224.61</u>
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 10/03/09	<u>246.84</u>
	TOTAL AMOUNT DUE	\$246.84

B I L L P E R I O D	G GENERAL SERVICE FROM 08/11/09 TO 09/11/09 31 DAYS MTR# HX000057135 KILOWATT HOURS CURRENT READING 86083 PREVIOUS READING <u>85438</u> DIFFERENCE 645 MULTIPLIER <u>1</u> USAGE 645	B I L L D E T A I L	CUSTOMER CHARGE \$28.00 ENERGY CHARGE 137.77 INTERIM RATE ADJUSTMENT 17.90 PBF SURCHARGE 0.65 ENERGY COST ADJUSTMENT <u>62.52</u> TOTAL FOR SERVICE \$246.84
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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

007012351 091409 05881 H2

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027
Telephone (Hilo 969-6999)
(Kona 329-3584)(Waimea 885-4605)

ACCOUNT NUMBER

8601-3553-002

DATE DUE

OCT 03, 2009

TOTAL AMOUNT DUE

\$246.84

AMOUNT ENCLOSED

PLEASE MAKE CHECKS
PAYABLE TO:

HELCO
PO Box 909
Honolulu, HI 96808-0909

|||||
HAWAIIAN BEACHES WATER CO, INC
PO BOX 22
PAHOA HI 96778-0022

31 860135530027 00000000000 00000024684

ATTACHMENT CA-IR-16b



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

When picking fruit or trimming trees
keep your ladder, tools, and body
at least 10 feet from power lines.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002

HAWAIIAN BEACHES WATER CO, INC

PUNAWAI ST #WHSE

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07/20/09

BALANCE FROM PREVIOUS BILLING

\$243.56

PAYMENT - THANK YOU

243.56-

BALANCE PRIOR TO BILLING

\$0.00

CURRENT ELECTRIC SERVICE DUE 08/31/09

224.61

TOTAL AMOUNT DUE

\$224.61

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G GENERAL SERVICE

FROM 07/13/09 TO 08/11/09 29 DAYS

MTR# HX000057135 KILOWATT HOURS

CURRENT READING 85438

PREVIOUS READING 84838

DIFFERENCE 600

MULTIPLIER 1

USAGE 600

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CUSTOMER CHARGE

\$28.00

ENERGY CHARGE

128.16

INTERIM RATE ADJUSTMENT

16.87

PBF SURCHARGE

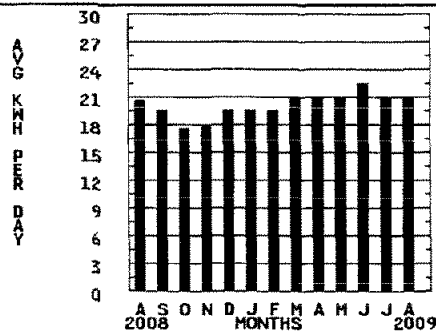
0.61

ENERGY COST ADJUSTMENT

50.97

TOTAL FOR SERVICE

\$224.61

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ELECTRIC USAGE PROFILE FOR METER HX00057135

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
08/11/09	600	\$224.61	29	20.7	7.75
07/13/09	687	243.56	33	20.8	7.38
06/10/09	673	234.79	30	22.4	7.83
05/11/09	682	238.90	32	21.3	7.47
04/09/09	600	222.93	29	20.7	7.69
03/11/09	616	229.24	29	21.2	7.90
02/10/09	544	216.65	28	19.4	7.74
01/13/09	624	270.97	33	18.9	8.21
12/11/08	547	260.23	29	18.9	8.97
11/12/08	594	290.83	33	18.0	8.81
10/10/08	500	259.81	29	17.2	
09/11/08	577	291.59	31	18.6	
08/11/08	605	292.91	31	19.5	9.45

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

081209 05881 H2

ATTACHMENT CA-IR-16b



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

REPAIR HOT WATER LEAKS -
Hot water leaks are a frequent cause of
extreme increases in energy costs.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE	
A M O U N T S	07/02/09	BALANCE FROM PREVIOUS BILLING	\$234.79
		PAYMENT - THANK YOU	<u>234.79-</u>
		BALANCE PRIOR TO BILLING	\$0.00
		CURRENT ELECTRIC SERVICE DUE 08/02/09	<u>243.56</u>
		TOTAL AMOUNT DUE	\$243.56

B I L L P E R I O D	G GENERAL SERVICE		B I L L D E T A I L	CUSTOMER CHARGE		\$28.00
	FROM 06/10/09 TO 07/13/09 33 DAYS			ENERGY CHARGE		146.75
	MTR# HX000057135	KILOWATT HOURS		INTERIM RATE ADJUSTMENT		18.87
	CURRENT READING	84838		PBF SURCHARGE		0.70
	PREVIOUS READING	<u>84151</u>		ENERGY COST ADJUSTMENT		49.53
	DIFFERENCE	687		IRP COST RECOVERY		<u>0.29-</u>
	MULTIPLIER	<u>1</u>		TOTAL FOR SERVICE		\$243.56
	USAGE	687				

U S A G E P R O F I L E	A V G K W H P E R D A Y	ELECTRIC USAGE PROFILE FOR METER HX00057135					\$ / DAY
		DATE	KWH	AMOUNT	DAYS	KWH/DAY	
		07/13/09	687	\$243.56	33	20.8	7.38
		06/10/09	673	234.79	30	22.4	7.83
		05/11/09	682	238.90	32	21.3	7.47
		04/09/09	600	222.93	29	20.7	7.69
		03/11/09	616	229.24	29	21.2	7.90
		02/10/09	544	216.65	28	19.4	7.74
		01/13/09	624	270.97	33	18.9	8.21
		12/11/08	547	260.23	29	18.9	8.97
		11/12/08	594	290.83	33	18.0	8.81
		10/10/08	500	259.81	29	17.2	
		09/11/08	577	291.59	31	18.6	
		08/11/08	605	292.91	31	19.5	9.45
		07/11/08	582	275.71	29	20.1	9.51

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

007012351 071409 05881 H2

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Hurricane season runs from June to November. Be prepared with a home survival kit. Tips at helcohi.com!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
05/29/09	BALANCE FROM PREVIOUS BILLING PAYMENT - THANK YOU BALANCE PRIOR TO BILLING CURRENT ELECTRIC SERVICE DUE 07/01/09 TOTAL AMOUNT DUE	\$238.90 238.90- \$0.00 234.79 \$234.79
A M O U N T S		

B I L L P E R I O D		
G	GENERAL SERVICE	
	FROM 05/11/09 TO 06/10/09 30 DAYS	
MTR#	HX00057135 KILOWATT HOURS	
	CURRENT READING 84151	
	PREVIOUS READING 83478	
	DIFFERENCE 673	
	MULTIPLIER 1	
	USAGE 673	
B I L L D E T A I L		
	CUSTOMER CHARGE	\$28.00
	ENERGY CHARGE	143.76
	INTERIM RATE ADJUSTMENT	18.55
	PBF SURCHARGE	0.68
	ENERGY COST ADJUSTMENT	44.26
	IRP COST RECOVERY	0.46
	TOTAL FOR SERVICE	\$234.79

U S A G E P R O F I L E		
30	DATE	ELECTRIC USAGE PROFILE FOR METER HX00057135
27	06/10/09	KWH AMOUNT DAYS KWH/DAY \$/DAY
24	05/11/09	682 238.90 30 22.4 7.83
21	04/09/09	606 228.92 32 21.3 7.47
18	03/11/09	616 225.24 29 21.2 7.90
15	02/10/09	544 216.65 28 19.4 7.74
12	01/13/09	624 270.97 33 18.9 8.21
9	12/11/08	547 260.23 29 18.9 8.97
6	11/12/08	594 290.83 33 18.0 8.81
3	09/11/08	577 259.59 31 17.2 8.51
0	08/11/08	605 292.91 31 19.5 8.45
	07/11/08	582 275.71 29 20.1 8.51
	06/12/08	580 263.94 31 18.7 8.51
J J A S O N D J F M A M J 2009		

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 007012351 061209 05881 H2

Hawaii Electric Light Co., Inc.
 PO Box 1027
 Hilo, HI 96721-1027

Shiny metallic balloons can tangle in power lines and cause outages. Please hold on to those balloons!

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
04/24/09	BALANCE FROM PREVIOUS BILLING \$222.93 PAYMENT - THANK YOU 222.93- BALANCE PRIOR TO BILLING \$0.00 CURRENT ELECTRIC SERVICE DUE 05/31/09 238.90 TOTAL AMOUNT DUE \$238.90	
A M O U N T S		

G GENERAL SERVICE FROM 04/09/09 TO 05/11/09 32 DAYS MTR# HX000057135 KILOWATT HOURS CURRENT READING 83478 PREVIOUS READING 82796 DIFFERENCE 682 MULTIPLIER 1 USAGE 682		B I L L P E R I O D B I L L D E E T A I L CUSTOMER CHARGE \$28.00 ENERGY CHARGE 145.68 INTERIM RATE ADJUSTMENT 18.76 PBF SURCHARGE 0.69 ENERGY COST ADJUSTMENT 45.06 IRP COST RECOVERY 0.71 TOTAL FOR SERVICE \$238.90	
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U S A G E P R O F I L E 30 27 24 21 18 15 12 9 6 3 0 M J J A S O N D J F M A M 2009		ELECTRIC USAGE PROFILE FOR METER HX00057135 DATE 05/11/09 682 \$238.90 32 21.3 7.47 04/09/09 600 222.93 29 20.7 7.69 03/11/09 618 225.24 29 21.2 7.90 02/10/09 544 216.65 28 19.4 7.74 01/13/09 624 270.97 33 18.9 8.23 12/12/08 594 260.63 32 18.0 8.97 10/10/08 500 259.81 29 17.2 8.81 09/11/08 577 291.59 31 16.6 9.45 08/11/08 605 292.91 31 19.5 9.51 07/11/08 582 275.71 29 20.1 8.25 06/12/08 580 263.94 27 18.7 05/12/08 598 263.97			
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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 007012351 051209 05881 H2



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Celebrate Earth Day and plant a native tree. Trees absorb CO2 which can help in the fight against global warming.

ACCOUNT NUMBER

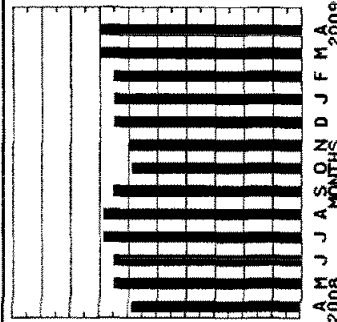
SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
04/02/09	BALANCE FROM PREVIOUS BILLING PAYMENT - THANK YOU BALANCE PRIOR TO BILLING CURRENT ELECTRIC SERVICE DUE 05/02/09 TOTAL AMOUNT DUE	\$229.24 229.24- \$0.00 222.93 \$222.93

AMOUNTS

G GENERAL SERVICE FROM 03/11/09 TO 04/09/09 29 DAYS	
MTR# HX000057135 KILOWATT HOURS	
CURRENT READING 82796	
PREVIOUS READING 82196	
DIFFERENCE 600	
MULTIPLIER 1	
USAGE 600	
B I L L P E R I O D	
CUSTOMER CHARGE	\$28.00
ENERGY CHARGE	128.16
INTERIM RATE ADJUSTMENT	16.87
PBF SURCHARGE	0.61
ENERGY COST ADJUSTMENT	48.13
IRP COST RECOVERY	1.16
TOTAL FOR SERVICE	\$222.93
B I L L D E T A I L	

USAGE PROFILE	DATE	KNH	AMOUNT	DAYS	KNH/DAY	\$/DAY
30	04/09/09	600	\$222.93	29	20.7	7.69
27	03/11/08	616	229.24	29	21.2	7.90
24	02/10/08	624	270.97	33	18.9	6.21
21	01/13/08	547	260.23	29	18.9	8.97
18	12/11/08	594	290.83	33	17.2	8.81
15	11/12/08	500	259.81	29	16.6	9.45
12	10/10/08	577	291.59	31	19.5	9.51
9	09/11/08	505	295.91	31	20.1	8.51
6	08/11/08	582	275.71	29	18.7	8.25
3	06/12/08	580	263.97	31	16.9	7.86
0	05/12/08	491	222.09	29		
	04/10/08					



WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS 007012351 041309 05881 H2



Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Look for the ENERGY STAR label
When buying appliances.
You'll save in the long run.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002

HAWAIIAN BEACHES WATER CO, INC

PUNAWAI ST #WHSE

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03/05/09	BALANCE FROM PREVIOUS BILLING	\$216.65
	PAYMENT - THANK YOU	<u>216.65-</u>
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 03/31/09	<u>229.24</u>
	TOTAL AMOUNT DUE	\$229.24

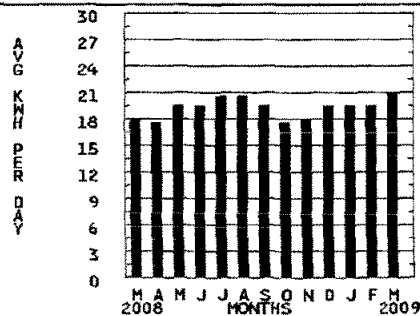
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G GENERAL SERVICE
FROM 02/10/09 TO 03/11/09 29 DAYS

MTR# HX000057135	KILOWATT HOURS
CURRENT READING	82196
PREVIOUS READING	<u>81580</u>
DIFFERENCE	616
MULTIPLIER	<u>1</u>
USAGE	616

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CUSTOMER CHARGE	\$28.00
ENERGY CHARGE	131.58
INTERIM RATE ADJUSTMENT	17.23
PBF SURCHARGE	0.63
ENERGY COST ADJUSTMENT	50.61
IRP COST RECOVERY	<u>1.19</u>
TOTAL FOR SERVICE	\$229.24

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ELECTRIC USAGE PROFILE FOR METER HX00057135

DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
03/11/09	616	\$229.24	29	21.2	7.90
02/10/09	544	216.65	28	19.4	7.74
01/13/09	624	270.97	33	18.9	8.21
12/11/08	547	260.23	29	18.9	8.97
11/12/08	594	290.83	33	18.0	8.81
10/10/08	500	259.81	29	17.2	
09/11/08	577	291.59	31	18.6	
08/11/08	605	292.91	31	19.5	9.45
07/11/08	582	275.71	29	20.1	9.51
06/12/08	580	263.94	31	18.7	8.51
05/12/08	598	263.97	32	18.7	8.25
04/10/08	491	222.09	29	16.9	7.66
03/12/08	538	244.38	30	17.9	8.15

WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS
WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

031209 05881 H2

Hawaii Electric Light Co., Inc.
 P.O. Box 1027
 Honolulu, HI 96721-1027

See the light make the change!
 Switch to compact fluorescent bulbs
 (CFL) to save on your electric bill.

T NUMBER

SERVICE ADDRESS

-3553-002

HAWAIIAN BEACHES WATER CO, INC

PUNAWAI ST #WHSE

02/09/09	BALANCE FROM PREVIOUS BILLING	\$270.97
	PAYMENT - THANK YOU	270.97-
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 03/02/09	216.65
	TOTAL AMOUNT DUE	\$216.65

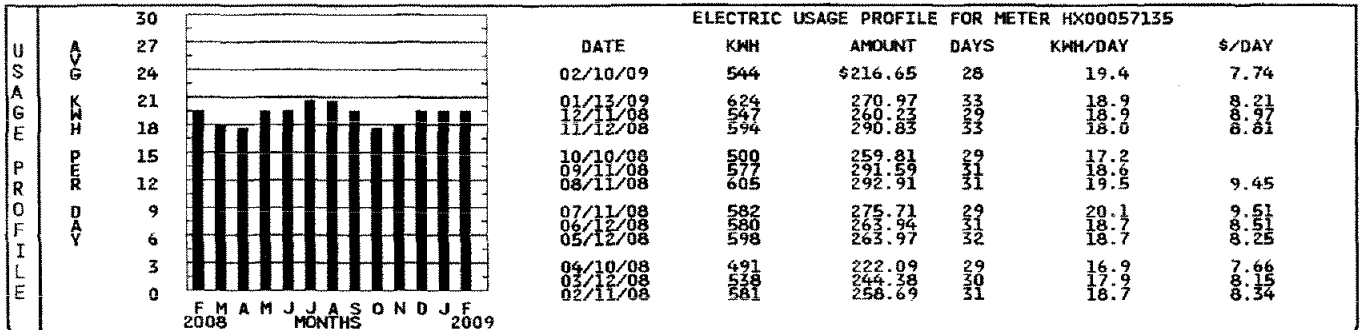
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G GENERAL SERVICE
 FROM 01/13/09 TO 02/10/09 28 DAYS

MTR# HX000057135 KILOWATT HOURS
 CURRENT READING 81580
 PREVIOUS READING 81036
 DIFFERENCE 544
 MULTIPLIER 1
 USAGE 544

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CUSTOMER CHARGE	\$28.00
ENERGY CHARGE	116.20
INTERIM RATE ADJUSTMENT	15.57
PBF SURCHARGE	0.55
ENERGY COST ADJUSTMENT	55.28
IRP COST RECOVERY	1.05
TOTAL FOR SERVICE	\$216.65

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WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

021109 05881 H2

Hawaii Electric Light Co., Inc.
PO Box 1027
Hilo, HI 96721-1027

Resolve to use electricity WISELY.
Log on to www.helcohi.com to
Find safety and energy-saving tips.

ACCOUNT NUMBER

SERVICE ADDRESS

8601-3553-002	HAWAIIAN BEACHES WATER CO, INC	PUNAWAI ST #WHSE
12/26/08	BALANCE FROM PREVIOUS BILLING	\$260.23
	PAYMENT - THANK YOU	260.23
	BALANCE PRIOR TO BILLING	\$0.00
	CURRENT ELECTRIC SERVICE DUE 02/02/09	270.97
	TOTAL AMOUNT DUE	\$270.97

AMOUNTS

G GENERAL SERVICE	CUSTOMER CHARGE	\$28.00
FROM 12/11/08 TO 01/13/09 33 DAYS	ENERGY CHARGE	133.29
MTR# HX000057135 KILOWATT HOURS	INTERIM RATE ADJUSTMENT	17.42
CURRENT READING 81036	PBF SURCHARGE	0.25
PREVIOUS READING 80412	ENERGY COST ADJUSTMENT	91.09
DIFFERENCE 624	IRP COST RECOVERY	0.92
MULTIPLIER 1	TOTAL FOR SERVICE	\$270.97
USAGE 624		

BILL DETAIL

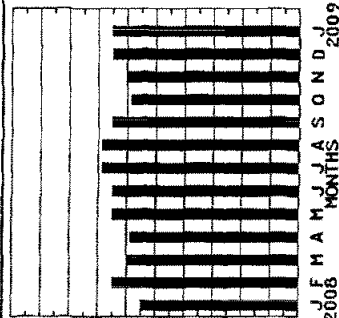
ELECTRIC USAGE PROFILE FOR METER HX00057135						
	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY
	01/13/09	624	\$270.97	33	18.9	8.21
	12/11/08	547	260.23	29	18.9	8.97
	11/12/08	594	290.83	23	18.0	8.81
	10/10/08	500	259.81	29	17.2	
	09/11/08	577	291.59	31	18.6	9.45
	08/11/08	605	292.91	29	19.5	
	07/11/08	582	275.71	29	20.1	
	06/12/08	580	263.94	31	18.7	
	05/12/08	598	263.97	32	18.7	8.51
	04/10/08	491	222.09	29	16.9	7.66
	03/12/08	538	264.38	30	17.9	8.15
	02/11/08	501	259.47	31	18.2	8.34
	01/11/08	501	213.47	31	16.2	6.89

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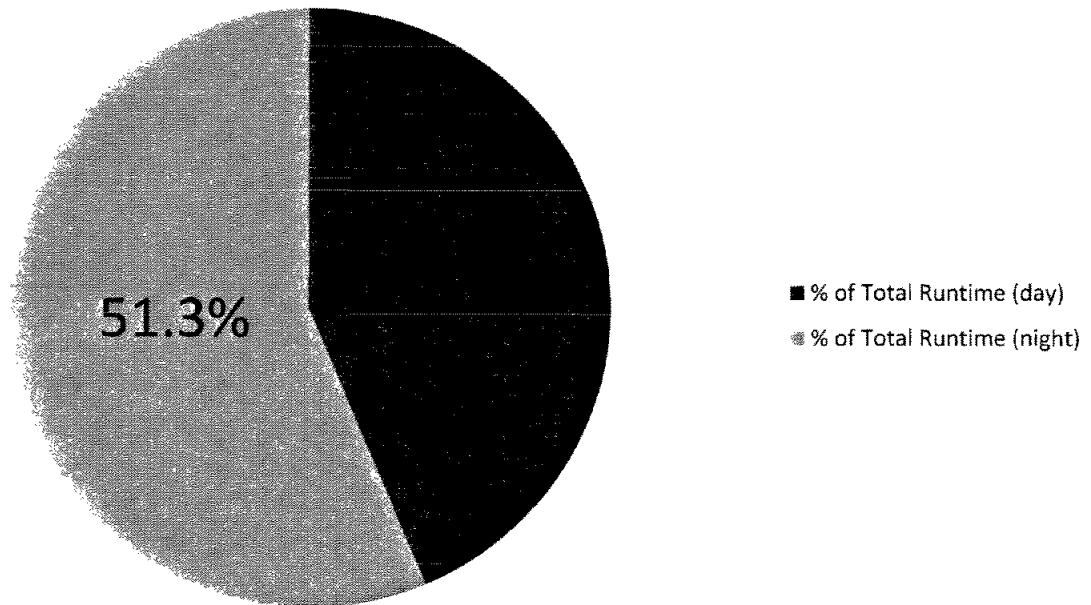


WHEN PAYING IN PERSON, PLEASE PRESENT BOTH PORTIONS

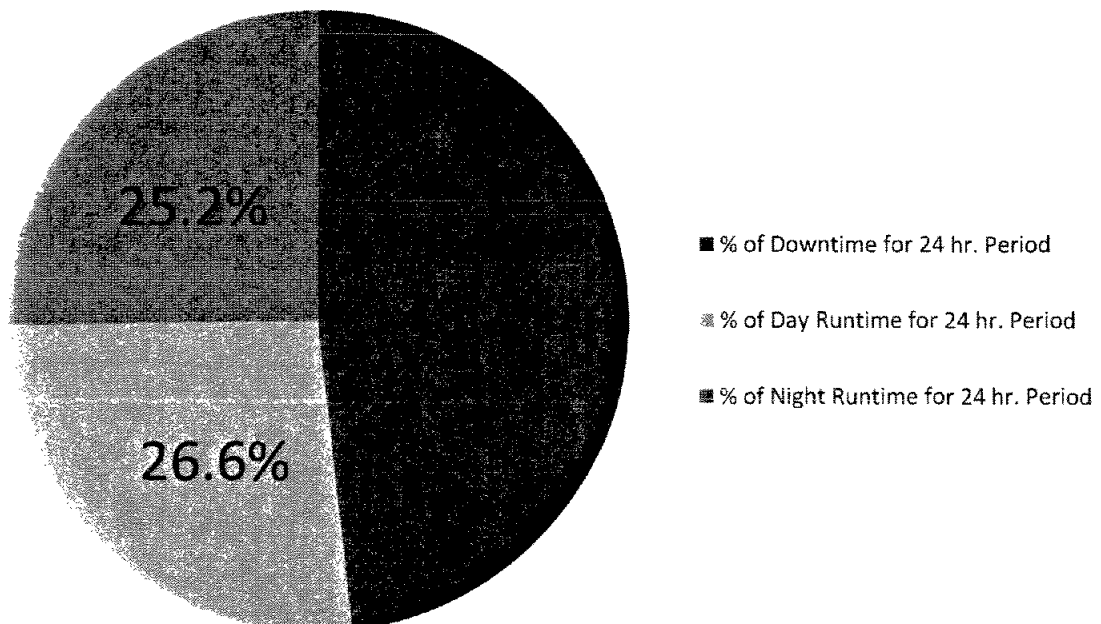
011409 05881 H2

ATTACHMENT
CA-IR-16c

Percentage of Total Runtime



Percentage of Runtime for 24 hr. Period



ATTACHMENT
CA-IR-16d



State of Hawaii
COMMISSION ON WATER RESOURCE MANAGEMENT
Department of Land and Natural Resources
ANNUAL GROUND WATER USE REPORT

For Official Use Only:

Name: Kate Prescott
 Company: Hawaiian Beaches Water Company
 Address: PO Box 22
Pahoa, Hi 96778
 Telephone No.: 808 965 9882 Fax No.: 808 965 8388
 State Well No.: 3185-01 Well Name: Hawaiian Beaches

Year: 2007

INSTRUCTIONS: Please TYPE OR PRINT CLEARLY. Complete this form to report total monthly ground water use, and, if required, other information from each of your well sources. Mail to: Commission on Water Resource Management, P.O. Box 621, Honolulu, HI 96809. For assistance, please call (808) 587-0265.

State Well No.	Period Begin Date (mm/dd/yy)	Period End Date (mm/dd/yy)	Quantity Pumped (gallons)	Method of Measurement*	Chloride (mg/l)	Temp. (°F)	Non-Pumping Water Level (ft. above msl)**
January	01/01/07	01/31/07	16,500,000	KLWH			
February	02/01/07	02/28/07	14,807,100	KLWH			
March	03/01/07	03/31/07	16,601,310	KLWH			
April	04/01/07	04/30/07	16,269,000	KLWH			
May	05/01/07	05/31/07	17,565,900	KLWH			
June	06/01/07	06/30/07	17,913,374	FLOW METER			
July	07/01/07	07/31/07	19,376,500	FLOW METER			
August	08/01/07	08/31/07	19,475,000	FLOW METER			
September	09/01/07	09/30/07	14,334,700	FLOW METER			
October	10/01/07	10/31/07	17,329,670	FLOW METER			
November	11/01/07	11/30/07	16,273,747	FLOW METER			
December	12/01/07	12/31/07	17,438,400	FLOW METER			

* Flow meter, electrical consumption, weir or flume, not metered (estimated).

** Measurement should be taken while pump is NOT running just prior to a pumping cycle; If measurement is taken while pump is running, please indicate so.

Other comments or additional information (e.g., date and method of chloride measurement, how pumpage amounts are estimated, etc.):

Submitted by (print): Katherine Prescott

Title: President

Signature: K Prescott

Date: 10/02/07



State of Hawaii
COMMISSION ON WATER RESOURCE MANAGEMENT
Department of Land and Natural Resources
ANNUAL GROUND WATER USE REPORT

For Official Use Only:

Name: Kate Prescott

Company: Hawaiian Beaches Water Company

Address: PO Box 22

Pahoa, HI 96778

Telephone No.: 808 9659882

Fax No.: 808 965 8388

State Well No.: 3185-01

Well Name: Hawaiian Beaches

Year: 2008

INSTRUCTIONS: Please TYPE OR PRINT CLEARLY. Complete this form to report total monthly ground water use, and, if required, other information from each of your well sources. Mail to: Commission on Water Resource Management, P.O. Box 621, Honolulu, HI 96809. For assistance, please call (808) 587-0265.

State Well No.	Period Begin Date (mm/dd/yy)	Period End Date (mm/dd/yy)	Quantity Pumped (gallons)	Method of Measurement*	Chloride (mg/l)	Temp. (°F)	Non-Pumping Water Level (ft. above msl)**
January	01/01/08	01/31/08	18,292,336	FLOW METER			
February	02/01/08	02/28/08	18,143,118	FLOW METER			
March	03/01/08	03/31/08	17,226,319	FLOW METER			
April	04/01/08	04/30/08	17,565,848	FLOW METER			
May	05/01/08	05/31/08	18,804,532	FLOW METER			
June	06/01/08	06/30/08	17,259,362	FLOW METER			
July	07/01/08	07/31/08	17,826,363	FLOW METER			
August	08/01/08	08/31/08	19,046,163	FLOW METER			
September	09/01/08	09/30/08	19,536,610	FLOWMETER			
October	10/01/08	10/31/08	14,544,738	FLOW METER			
November	11/01/08	11/30/08	13,361,965	FLOW METER			
December	12/01/08	12/31/08	13,430,896	FLOWMETER			

* Flow meter, electrical consumption, weir or flume, not metered (estimated).

** Measurement should be taken while pump is NOT running just prior to a pumping cycle; If measurement is taken while pump is running, please indicate so.

Other comments or additional information (e.g., date and method of chloride measurement, how pumpage amounts are estimated, etc.):

Submitted by (print): Katherine Prescott

Title: President

Signature: K Prescott

Date: 11/10/2008



State of Hawaii
COMMISSION ON WATER RESOURCE MANAGEMENT
Department of Land and Natural Resources
ANNUAL GROUND WATER USE REPORT

For Official Use Only:

Name: Kate Prescott
 Company: Hawaiian Beaches Water Company
 Address: PO Box 22
Pahoa, HI 96778
 Telephone No.: 808 9659882 Fax No.: 808 965 8388
 State Well No.: 3185-01 Well Name: Hawaiian Beaches

Year: 2009

INSTRUCTIONS: Please TYPE OR PRINT CLEARLY. Complete this form to report total monthly ground water use, and, if required, other information from each of your well sources. Mail to: Commission on Water Resource Management, P.O. Box 621, Honolulu, HI 96809. For assistance, please call (808) 587-0265.

State Well No.	Period Begin Date (mm/dd/yy)	Period End Date (mm/dd/yy)	Quantity Pumped (gallons)	Method of Measurement*	Chloride (mg/l)	Temp. (°F)	Non-Pumping Water Level (ft. above msl)**
January	01/01/09	01/31/09	13,440,246	FLOW METER			
February	02/01/09	02/28/09	11,986,260	FLOW METER			
March	03/01/09	03/31/09	13,454,000	FLOW METER			
April	04/01/09	04/30/09	12,590,380	FLOW METER			
May	05/01/09	05/31/09	12,780,900	FLOW METER			
June	06/01/09	06/30/09	13,158,630	FLOW METER			
July	07/01/09	07/31/09		FLOW METER			
August	08/01/09	08/31/09		FLOW METER			
September	09/01/09	09/30/09		FLOWMETER			
October	10/01/09	10/31/09		FLOW METER			
November	11/01/09	11/30/09		FLOW METER			
December	12/01/09	12/31/09		FLOWMETER			

* Flow meter, electrical consumption, weir or flume, not metered (estimated).

** Measurement should be taken while pump is NOT running just prior to a pumping cycle; if measurement is taken while pump is running, please indicate so.

Other comments or additional information (e.g., date and method of chloride measurement, how pumpage amounts are estimated, etc.):

Submitted by (print): Katherine Prescott

Title: President

Signature: K. Prescott

Date: 11/10/2008

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-17

Ref: Rate Case Amortization.

- a. Please provide the actual cost incurred for the preparation and filing of the rate case application for each of the categories identified on Exhibit HBWC 10.11 and confirm that this phase has been completed. Please include copies of invoices, etc., that support the Company's response.

RESPONSE:

See Attachment CA-IR-17a (Part A) for a summary of the charges for the preparation phase. See Confidential Attachment CA-IR-17a (Part B), filed under and subject to Protective Order issued in this docket on August 13, 2009, for copies of invoices for the legal work. The Company is still compiling copies of invoices in support of its regulatory consultant's cost and will provide the requested information on Monday, October 12, 2009.

- b. If the actual costs deviated from the projected cost by 5%, please explain why such deviation occurred.

RESPONSE:

With regard to the regulatory charges which were approximately 17 percent under the budget, the main reasons were that the accounting records were in better shape than anticipated and the work on the customer usage

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-17 (cont.)

records was less than anticipated. Legal costs for the preparation and filing phase were within 5 percent of budget.

SPONSOR: Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS
(SUPPLEMENTAL)**

DOCKET NO. 2009-0161

CA-IR-17 Ref: Rate Case Amortization.

- a. Please provide the actual cost incurred for the preparation and filing of the rate case application for each of the categories identified on Exhibit HBWC 10.11 and confirm that this phase has been completed. Please include copies of invoices, etc., that support the Company's response.

**SUPPLEMENTAL
RESPONSE:**

See Attachment CA-IR-17a (Part A) for a summary of the charges for the preparation phase. See Confidential Attachment CA-IR-17a (Part B), filed under and subject to Protective Order issued in this docket on August 13, 2009, for copies of invoices for the legal work. See Attachment CA-IR-17a (Part C) for copies of invoices in support of its regulatory consultant's cost.

- b. If the actual costs deviated from the projected cost by 5%, please explain why such deviation occurred.

RESPONSE:

With regard to the regulatory charges which were approximately 17 percent under the budget, the main reasons were that the accounting records were in better shape than anticipated and the work on the customer usage

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS
(SUPPLEMENTAL)**

DOCKET NO. 2009-0161

CA-IR-17 (cont.)

records was less than anticipated. Legal costs for the
preparation and filing phase were within 5 percent of budget.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-17a (Part A)

Rate Case Expenses

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Actual		Estimated		
		Hours	Billing	Hours	Billing	
<u>PREPARATION & FILING PHASE</u>						
	<u>Regulatory</u>					
1	June, 2009	93.0	\$ 24,218.60			
2						
3	July, 2009	51.0	13,281.17			
4						
5						
6						
7	Total	<u>144.0</u>	<u>\$ 37,499.77</u>	<u>180.0</u>	<u>\$ 45,000.00</u>	
	<u>Legal</u>	[a]				
8						
9	May, 2009		117			
10	June, 2009		3,728			
11	July, 2009		14,652			
12	August, 2009		5,641			
13						
14						
15	Total		<u>\$ 24,138.00</u>	[a]	<u>\$ 25,000.00</u>	
16	Travel				<u>\$ 1,000.00</u>	
17	Other Expense				<u>\$ 1,000.00</u>	

[a] Legal charges are not budgeted by hour but by dollars for each phase.

**ATTACHMENT
CA-IR-17a (Part C)**

OBRIEN INNOVATIVE REGULATORY SOLUTIONS, LLC
1753 Via Mazatlan, Rio Rico, Arizona 85648

INVOICE

Invoice Number – HBWC 001

June 30, 2009

Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, Hawaii 96778

Attention: Katherine Prescott

Re: HBWC Rate Case 2010 TY

DESCRIPTION

Services performed during the month of June 2009 per attached work log.

FEES:

93 hours @ \$250 per hour =	\$23,250.00
-----------------------------	-------------

EXPENSES:

NONE	0.00
------	------

STATE TAXES --- GET @ 4.166%	<u>968.60</u>
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<u>TOTAL DUE</u>	\$24,218.60
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PAYMENT TERMS:

Due on Receipt

HBWC

Work Log for Robert O'Brien
Billing Period: June2008 (6/1/09 to 6/30/09)

Work on Accounting and Regulatory Activity
Project # OB-004

<u>Date</u>	<u>Day</u>	<u>Hours</u>	<u>Description of Services</u>
	Mar	3.00	Accumulation of Time on Rate Case Preparation Stuff
	Apr	2.00	Accumulation of Time on Rate Case Preparation Stuff
	May	2.00	Accumulation of Time on Rate Case Preparation Stuff
06/01/09	Monday		
06/02/09	Tuesday	1.00	Work on Cust Usage
06/03/09	Wednesday	2.00	Work on Cust Usage
06/04/09	Thursday	3.00	Work on Cust Usage
06/05/09	Friday	3.00	Develop RCM
06/06/09	Saturday	4.00	Develop RCM
06/07/09	Sunday	3.00	Develop RCM
06/08/09	Monday	2.00	Develop RCM
06/09/09	Tuesday	2.00	Develop RCM
06/10/09	Wednesday	2.00	Develop RCM
06/11/09	Thursday	4.00	Develop RCM
06/12/09	Friday	4.00	Develop RCM
06/13/09	Saturday	2.00	Develop RCM
06/14/09	Sunday	3.00	Develop RCM
06/15/09	Monday	4.00	Develop RCM
06/16/09	Tuesday	5.00	Develop RCM
06/17/09	Wednesday	5.00	Develop RCM
06/18/09	Thursday	5.00	Develop RCM
06/19/09	Friday	4.00	Develop RCM
06/20/09	Saturday		
06/21/09	Sunday		
06/22/09	Monday	3.00	Finalize RCM and Work on Testimony
06/23/09	Tuesday		
06/24/09	Wednesday	4.00	Work on Testimony
06/25/09	Thursday	4.00	Work on Testimony
06/26/09	Friday	4.00	Work on Testimony
06/27/09	Saturday		
06/28/09	Sunday	3.00	Work on Testimony
06/29/09	Monday	4.00	Work on Testimony
06/30/09	Tuesday	6.00	Work on Testimony
		<u>93.00</u>	Total Hours

OBRIEN INNOVATIVE REGULATORY SOLUTIONS, LLC
1753 Via Mazatlan, Rio Rico, Arizona 85648

INVOICE

Invoice Number – HBWC 002

July 31, 2009

Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, Hawaii 96778

Attention: Katherine Prescott

Re: HBWC Rate Case 2010 TY

DESCRIPTION

Services performed during the month of July 2009 per attached work log.

FEES:

51 hours @ \$250 per hour =	\$12,750.00
-----------------------------	-------------

EXPENSES:

NONE	0.00
------	------

STATE TAXES --- GET @ 4.166%	<u>531.17</u>
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<u>TOTAL DUE</u>	\$13,281.17
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PAYMENT TERMS:

Due on Receipt

HBWC

Work Log for Robert O'Brien

Billing Period: July2008 (7/1/09 to 7/31/09)

Work on Accounting and Regulatory Activity

Project # OB-022

<u>Date</u>	<u>Day</u>	<u>Hours</u>	<u>Description of Services</u>
07/01/09	Wednesday	5.00	Work on RRM and Testimony
07/02/09	Thursday	6.00	Work on RRM and Testimony
07/03/09	Friday	2.00	Work on RRM and Testimony
07/04/09	Saturday		
07/05/09	Sunday		
07/06/09	Monday	6.00	Work on RRM and Testimony
07/07/09	Tuesday	6.00	Work on RRM and Testimony
07/08/09	Wednesday	4.00	Work on RRM and Testimony
07/09/09	Thursday	4.00	Work on RRM and Testimony
07/10/09	Friday	2.00	Work on RRM and Testimony
07/11/09	Saturday		
07/12/09	Sunday		
07/13/09	Monday	2.00	Work on RRM and Testimony
07/14/09	Tuesday	2.00	Work on RRM and Testimony
07/15/09	Wednesday	2.00	Work on RRM and Testimony
07/16/09	Thursday	4.00	Finalize RRM and Testimony
07/17/09	Friday	6.00	Finalize RRM and Testimony
07/18/09	Saturday		
07/19/09	Sunday		
07/20/09	Monday		
07/21/09	Tuesday		
07/22/09	Wednesday		
07/23/09	Thursday		
07/24/09	Friday		
07/25/09	Saturday		
07/26/09	Sunday		
07/27/09	Monday		
07/28/09	Tuesday		
07/29/09	Wednesday		
07/30/09	Thursday		
07/31/09	Friday		

<u>51.00</u>	Total Hours
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**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-18

Ref: Insurance.

- a. Please provide copies of the insurance premium invoices supporting the coverage levels for each type of insurance and the annual premium expense identified on Workpaper HBWC 10.5.

RESPONSE:

See Attachment CA-IR-18a.

- b. Please explain why the Company believes that a 5% increase to the annual premium is reasonable to determine the test year insurance expense. Please provide calculations and/or workpapers to support the 5% increase.

RESPONSE:

Based on discussions with our insurance agent they are unable to say at this time what increases if any are expected in costs but will be able to give a better response closer to the time each policy is up for renewal. Based on the current insurance market conditions, the insurance agent believes the costs for each of the coverages will be pretty much within the same area.

- c. In Docket No. 2006-0442, it does not appear that the Company maintained coverage for "Pollution Liability". Please explain why the Company elected to have such coverage.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-18 (cont.)

RESPONSE: The policy provides coverage to protect the Company and its owners and employees from liabilities for bodily injury and property damage to third parties (our customers) caused by pollutants connected with the Company's service. A "pollutant" within the policy definition includes (but is not limited to) acids, alkalis, chemicals, liquids or contaminates which can, through no fault of the Company or its personnel infiltrate the Company's water supply and harm customers before the Company can respond to the issue. This is particularly important to the Company since most General Liability policies exclude coverage for pollution. If a contaminate enters the water system and the Company is held liable for resulting illness, injury or damages, the Company needs a policy to be protected against these potential liabilities just like with a general liability policy.

SPONSOR: **Robert O'Brien**

ATTACHMENT
CA-IR-18a

**Hartford Life*
Temporary Disability Insurance
Hartford Life
Find Report
All Transactions

3:07 PM

10/02/09

Accrual Basis

Hawaiian Beaches Water Company, Inc.

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Bill Print -Check	7/6/2009	2281	Hartford Life		131.3 : Checking	X	231 : Accounts...	-210.77	-210.77
Bill Print -Check	4/7/2009	2143	Hartford Life	quarterly disa...	131.3 : Checking	X	231 : Accounts...	-185.26	-396.03
Check	1/5/2009	2022	Hartford Life	cust # 000628...	131.3 : Checking	X	659 : Insuranc...	-245.54	-641.57
Bill Print -Check	10/11/2008	1849	Hartford Life	disability insur...	131.3 : Checking	X	231 : Accounts...	-177.44	-819.01
Check	7/2/2008	1723	Hartford Life	cust#0006284...	131.3 : Checking	X	659 : Insuranc...	-156.51	-975.52
Check	4/1/2008	1577	Hartford Life		131.3 : Checking	X	408.15 : Payrol...	-170.64	-1,146.16
Bill Print -Check	1/8/2008	1434	Hartford Life	Cus #000828...	131.3 : Checking	X	231 : Accounts...	-179.56	-1,325.72
Check	10/2/2007	1261	Hartford Life	TDI 015686	131.3 : Checking	X	659 : Insuranc...	-193.06	-1,518.78
Check	7/20/2007	1137	Hartford Life	ln#3188152-1	131.3 : Checking	X	659 : Insuranc...	-166.74	-1,685.52
Check	4/11/2007	9428	Hartford Life		131.5 : Cash with M...		105 : Construc...	-172.71	-1,858.23
Total								-1,858.23	-1,858.23



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : OCT-01-2006 - DEC-31-2006

ATTACHMENT CA-IR-18a

Invoice #: 3040318 - 2 GR-12110-0
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of OCT-01-2006-DEC-31-2006

Experience Group Name: MILLER LIEB WATER CO INC

Policy Number: TDI 015686

	Oct	Nov	Dec
MALE	2	2	2
FEMALE	3	3	3

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	41919.50		
** Total Covered Wages for employees during this quarter	30661	X .46 Per \$100 Taxable Wages	141.05
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Total premium due, or \$ 10.00 , whichever is greater			141.05

** Maximum covered wages per employee	\$791.70 Weekly
	\$1,583.40 Bi-Weekly
If the average earning per employee exceed these amounts for this quarter	\$1,715.35 Semi-Monthly
the excess shall not be included in the premium calculation.	\$3,430.70 Monthly
	\$10,292.10 Quarterly

CERTIFICATION: I Katherine Prescott certify that the above information is, to the best of my knowledge, true and complete.

Manager
Title

808 965 9882
Phone Number

1/1/06
Date

Kateprescott78@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : JAN-01-2007 - MAR-31-2007

ATTACHMENT CA-IR-18a

Invoice #: 3168152 - 1
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of JAN-01-2007 - MAR-31-2007

Experience Group Name: MILLER LIEB WATER CO INC

Policy Number: TDI 015686

	Jan	Feb	Mar
MALE	3	3	3
FEMALE	3	3	3

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	48060.50		
** Total Covered Wages for employees during this quarter	37545.26	X .46 Per \$100 Taxable Wages	172.71
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Experience Group Subtotal			172.71
Total premium due, or \$ 10.00, whichever is greater			172.71

** Maximum covered wages per employee	\$820.26 Weekly
	\$1,640.52 Bi-Weekly
If the average earning per employee exceed these amounts for this quarter	\$1,777.23 Semi-Monthly
the excess shall not be included in the premium calculation.	\$3,554.46 Monthly
	\$10,663.38 Quarterly

CERTIFICATION: I Katherine Prescott certify that the above information is, to the best of my knowledge, true and complete.

President
Title

808 9659882
Phone Number

4/10/07
Date

kateprescott18@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : JUL-01-2007 - SEP-30-2007

ATTACHMENT CA-IR-18a

Invoice #: 3431039 - 1
Customer #: 000828450001 - 7
Office Code: 57

Page 1 of 2

ACCOUNT ANALYSIS WORKSHEET

Current Charges

Box 1	\$0.00	Late Fees
Box 2		Current Period Charges from Detail Section
Box 3	\$0.00	Total Adjustments from Detail Section
Box 4	193.06	Total Current Charges(Box 1 + Box 2 + Box 3)

HARTFORD ANNOUNCEMENTS

Reminder: Please enclose page 2 (account detail) with your payment and payment stub.

If you have any billing questions, you can reach us by using any of the below options.

Phone Number	Hours of Operation
(800)454-7020	8:00 AM - 7:00 PM (EST)
(808)534-4902	8:00 AM - 4:15 PM (Hawaiian Time)

Thank you.

**** PAYMENT COUPON **** TEAR AND REMIT WITH ACCOUNT DETAIL

President
Title
808 9658388
Phone Number

10/2/07
Date
Kate.prescott78@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : OCT-01-2007 - DEC-31-2007

ATTACHMENT CA-IR-18a

Invoice #: 3566382 - 2
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of OCT-01-2007-DEC-31-2007

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Oct	Nov	Dec
MALE	3	3	3
FEMALE	4	3	3

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter			49818.80
** Total Covered Wages for employees during this quarter	39034.56X	.46 Per \$100 Taxable Wages	179.56
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Experience Group Subtotal			
Total premium due, or \$ 10.00, whichever is greater			\$ 179.56

** Maximum covered wages per employee	\$820.26 Weekly
	\$1,640.52 Bi-Weekly
If the average earning per employee exceed these amounts for this quarter	\$1,777.23 Semi-Monthly
the excess shall not be included in the premium calculation.	\$3,554.46 Monthly
	\$10,663.38 Quarterly

CERTIFICATION: I Kate Prescott certify that the above information is, to the best of my knowledge, true and complete.

President
Title

808 965 9882
Phone Number

1/4/08
Date

Kate.prescott78@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : JAN-01-2008 - MAR-31-2008

ATTACHMENT CA-IR-18a

Invoice #: 3699870 - 6
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of JAN-01-2008-MAR-31-2008

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Jan	Feb	Mar
MALE	3	3	3
FEMALE	3	3	3

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	47138.62		
** Total Covered Wages for employees during this quarter	37094.56	X .46 Per \$100 Taxable Wages	170.64
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)	0		
Experience Group Subtotal			
Total premium due, or \$ 10.00, whichever is greater			170.64

** Maximum covered wages per employee	\$842.56 Weekly
	\$1,685.12 BiWeekly
If the average earning per employee exceed these amounts for this quarter	\$1,825.54 Semi-Monthly
the excess shall not be included in the premium calculation.	\$3,651.09 Monthly
	\$10,953.28 Quarterly

CERTIFICATION: I K. Prusoff certify that the above information is, to the best of my knowledge, true and complete.

President
Title

808 9659882
Phone Number

04/01/08
Date

Kateprusoff78@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : APR-01-2008 - JUN-30-2008

ATTACHMENT CA-IR-18a

Invoice #: 3824578 - 3
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of APR-01-2008 - JUN-30-2008

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Apr	May	Jun
MALE	4	3	3
FEMALE	3	3	2

Total Gross Wages for covered employees during this quarter 46427.11

** Total Covered Wages for employees during this quarter 34023.67x .46 Per \$100 Taxable Wages 156.51

Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)

Experience Group Subtotal

Total premium due, or \$ 10.00, whichever is greater 156.51

** Maximum covered wages per employee \$842.56 Weekly
\$1,685.12 BiWeekly
If the average earning per employee exceed these amounts for this quarter \$1,825.54 Semi-Monthly
the excess shall not be included in the premium calculation. \$3,651.09 Monthly
\$10,953.28 Quarterly

CERTIFICATION: I Katherine Prescott certify that the above information is, to the best of my knowledge, true and complete.

President
Title

808 965 9882
Phone Number

8/1/08
Date

kateprescott173@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : JUL-01-2008 - SEP-30-2008

ATTACHMENT CA-IR-18a

Invoice #: 3957006 - 4
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of JUL-01-2008-SEP-30-2008

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Jul	Aug	Sep
MALE	3	3	3
FEMALE	2	3	2

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	49540.33		
** Total Covered Wages for employees during this quarter	38520.89	.46 Per \$100 Taxable Wages	177.44
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Experience Group Subtotal			
Total premium due, or \$ 10.00, whichever is greater			177.44

** Maximum covered wages per employee	\$842.56 Weekly
	\$1,685.12 BiWeekly
If the average earning per employee exceed these amounts for this quarter	\$1,825.54 Semi-Monthly
the excess shall not be included in the premium calculation.	\$3,651.09 Monthly
	\$10,953.28 Quarterly

CERTIFICATION: I Katharine Presutti certify that the above information is, to the best of my knowledge, true and complete.

President
Title

808 9659882
Phone Number

10/1/08
Date

Katepresutti78@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



**THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT**

Please call 1-(800) 454-7020 for billing questions

Coverage Period : OCT-01-2008 - DEC-31-2008

Invoice #: 4099883 - 3
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of OCT-01-2008-DEC-31-2008

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Oct	Nov	Dec
MALE	7	7	6
FEMALE	3	2	2

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter			64534.34
** Total Covered Wages for employees during this quarter	53377.88	x .46 Per \$100 Taxable Wages	245.54
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
		Experience Group Subtotal	245.54
		Total premium due, or \$ 10.00, whichever is greater	245.54

** Maximum covered wages per employee	\$842.56 Weekly
If the average earning per employee exceed these amounts for this quarter	\$1,685.12 BiWeekly
the excess shall not be included in the premium calculation.	\$1,825.54 Semi-Monthly
	\$3,651.09 Monthly
	\$10,953.28 Quarterly

CERTIFICATION: I K.P. Prescott certify that the above information is, to the best of my knowledge, true and complete.

Title

Phone Number

Date

E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date

000828450001000197





THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : JAN-01-2009 - MAR-31-2009

ATTACHMENT CA-IR-18a

Invoice #: 4238049 - 3
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of JAN-01-2009-MAR-31-2009

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Jan	Feb	Mar
MALE	4	4	4
FEMALE	2	2	2

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	50686.64		
** Total Covered Wages for employees during this quarter	46273.62x	.46 Per \$100 Taxable Wages	185.26
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Experience Group Subtotal			
Total premium due, or \$ 10.00, whichever is greater			185.26

** Maximum covered wages per employee \$877.69 Weekly
\$1,755.38 BiWeekly
If the average earning per employee exceed these amounts for this quarter \$1,901.29 Semi-Weekly
the excess shall not be included in the \$3,802.58 Monthly
premium calculation. \$11,407.74 Quarterly

CERTIFICATION: I K. Prescott certify that the above information is, to the best of my knowledge, true and complete.

Title President
808-965-9882
Phone Number

Date 4/3/09
Kate.prescott@hotmail.com
E-mail Address

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date



THE HARTFORD
HAWAII TEMPORARY DISABILITY INSURANCE
QUARTERLY STATEMENT

Please call 1-(800) 454-7020 for billing questions

Coverage Period : APR-01-2009 ~ JUN-30-2009

ATTACHMENT CA-IR-18a

Invoice #: 4372018 - 4
Customer #: 000828450001 - 7
Office Code: 57

Page 2 of 2

ACCOUNT DETAIL

To ensure proper allocation to your account, send this detail along with your payment stub to the lockbox address.

Report the requested information for full-time and part-time employees for the period of APR-01-2009 - JUN-30-2009

Experience Group Name: HAWAIIAN BEACHES WATER CO., IN

Policy Number: TDI 015686

	Apr	May	Jun
MALE	5	5	5
FEMALE	2	2	2

	Rate	Rate Description	PREMIUM DUE
Total Gross Wages for covered employees during this quarter	55969.38		
** Total Covered Wages for employees during this quarter	45819.32x	.46 Per \$100 Taxable Wages	210.77
Total Employee Contributions (the lesser of 0.5% of weekly maximum wage base per employee or 50% of premium)			
Experience Group Subtotal			
Total premium due, or \$ 10.00, whichever is greater			210.77

** Maximum covered wages per employee	\$877.69 Weekly
If the average earning per employee exceed these amounts for this quarter	\$1,755.38 BiWeekly
the excess shall not be included in the premium calculation.	\$1,901.66 Semi-Monthly
	\$3,803.32 Monthly
	\$11,409.97 Quarterly

CERTIFICATION: I Kate Prescott certify that the above information is, to the best of my knowledge, true and complete.

Title

808-965-9882

Phone Number

Date

7/7/09

E-mail Address

kateprescott78@hotmail.com

If coverage has been replaced, please provide copy of replacement coverage (Certificate of Insurance), indicate cancellation date and sign below.

Cancellation signature if applicable

Cancellation Date

3:06 PM

10/02/09

Accrual Basis

Hawaiian Beaches Water Company, Inc.

Find Report

All Transactions

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Bill Pmt -Check	9/29/2009	2389	HEMIC		131.3 - Checking		231 - Accounts...	-488.00	-488.00
Bill Pmt -Check	6/23/2009	2255	HEMIC		131.3 - Checking	X	231 - Accounts...	-488.00	-976.00
Bill Pmt -Check	3/24/2009	2125	HEMIC	inst 2	131.3 - Checking	X	231 - Accounts...	-488.00	-1,464.00
Bill Pmt -Check	12/19/2008	2003	HEMIC		131.3 - Checking	X	231 - Accounts...	-753.00	-2,217.00
Bill Pmt -Check	9/15/2008	1830	HEMIC		131.3 - Checking	X	231 - Accounts...	-1,062.00	-3,279.00
Bill Pmt -Check	6/18/2008	1696	HEMIC		131.3 - Checking	X	231 - Accounts...	-1,062.00	-4,341.00
Bill Pmt -Check	3/12/2008	1527	HEMIC	WC100-0018...	131.3 - Checking	X	231 - Accounts...	-1,063.00	-5,404.00
Bill Pmt -Check	1/31/2008	1467	HEMIC	WC100-0018...	131.3 - Checking	X	231 - Accounts...	-532.00	-5,936.00
Bill Pmt -Check	12/20/2007	1400	HEMIC	Workers com...	131.3 - Checking	X	231 - Accounts...	-1,621.00	-7,557.00
Bill Pmt -Check	8/3/2007	1170	HEMIC		131.3 - Checking	X	231 - Accounts...	-759.00	-8,316.00
Check	5/11/2007	1025	HEMIC	HBWC Work...	131.3 - Checking	X	658 - Insuranc...	-1,111.00	-9,427.00
Total								-9,427.00	-9,427.00



Dividend Qualification Calculation Summary

Policyholder of Record: Hawaiian Beaches Water Co., Inc.

Policy of Record: WC100-0018705-2009A

Effective Period: From January 03, 2009 to January 03, 2010

Dividend Status: You qualify for a dividend.

Subject Policy Information:

<u>Subject Policy Number</u>	<u>Effective</u>	<u>Expiration</u>	<u>Earned Premium</u>	<u>Current Incurred Losses</u>	<u>Net Developed Loss</u>
WC100-0018705-2008A	01/03/2008	01/03/2009	4,813.00	0.00	0.00
WC100-0018705-2007A	05/15/2007	01/03/2008	3,160.00	1,553.35	1,593.00
WC100-0010141-2007A	01/03/2007	05/15/2007	1,219.00	0.00	0.00
WC100-0010141-2006A	01/03/2006	01/03/2007	5,715.00	0.00	0.00
WC100-0010141-2005A	01/03/2005	01/03/2006	4,356.00	2,730.35	2,799.00
<u>Totals for Subject Policies</u>			19,263.00	4,283.70	4,392.00

Net Developed Loss Ratio: 22.80 %



Policy No.	Insured No.	Unit	Product	Premium
WC100-0010141-2006A	10141	001	GCT4	\$ 5,715

Invoice No.	Type	Prorate	Inv. Date	Due Date
346084	PA	100.00	2/15/2007	3/7/2007

Miller & Lieb Water Co Inc
P.O. Box 22
Pahoa, HI 96778

To pay your invoice on-line, go to:
www.hemic.com
If you need your password, email your request to :
webpass@hemic.com

Current Invoice Calculation

Item Description	Policy to Date	Billed Previously	Current Amount
Premium	5,715.00	4,623.00	1,092.00

Current Invoice **1,092.00**

Amount Paid **0.00**

Invoice Balance **\$1,092.00**

*Invoice Balance – applies to this invoice only. Due date for this amount is above.

**Previous Balance – may include amounts from previous invoices. Please refer to these invoices for specific due dates. You may also find this information on-line at www.hemic.com.

Amount Due, This Policy **\$1,092.00**

We appreciate your business. If you have any questions, please call the HEMIC Accounting Department at (808) 524-3642 ext 460 or contact us by email at acctg_cs@hemic.com.

(888) 292-3642 ext.431

Enclosures

cc: Servco Insurance Services
Underwriting File

Premium Audit * P.O. Box 3376, Honolulu, Hawaii 96801 * Ph: (808) 52-HEMIC * Fax: (808) 522-5510
www.hemic.com

"Our Policy is Taking Care of Hawaii"



HEMIC

*Hawai'i Employers' Mutual
Insurance Company, Inc.*

WC100-0018705-2008A

WORKERS' COMPENSATION INSURANCE INVOICE

Insured No.	Policy Premium	Invoice Type
18705	\$ 4,231	Ren Deposit

Invoice Date	Invoice Due Date
11/29/2007	1/3/2008

Payable by Due Date

Go on-line to pay your bill, view pay history, policies, claims and more. If you have a password established go to <https://websolutions.hemic.com/insureds>
To receive your password, email your request to webpass@hemic.com

We appreciate your business. If you have any questions, please contact HEMIC Accounting Department at (808) 524-3642 ext 460 or via e-mail at acctg_cs@hemic.com.

Please return this portion with your payment to ensure proper processing.

Insured No.	Invoice Type	Invoice Date	Invoice Due Date
18705	Ren Deposit	11/29/2007	1/3/2008

Amount Due:

\$1,438

Amount Enclosed:

ATTN: Accounting Dept.
Hawaii Employers' Mutual Insurance Company
P. O. Box 3376
Honolulu, HI 96801



HEMIC

*Hawai'i Employers' Mutual
Insurance Company, Inc.*

WC100-0018705-2008A

"REVISED"

WORKERS' COMPENSATION INSURANCE INVOICE

Insured No.	Policy Premium	Invoice Type
18705	\$ 4,765	Ren Deposit

Invoice Date	Invoice Due Date
12/4/2007	1/3/2008

Payable by Due Date

Go on-line to pay your bill, view pay history, policies, claims and more. If you have a password established go to <https://websolutions.hemic.com/insureds>
To receive your password, email your request to webpass@hemic.com

We appreciate your business. If you have any questions, please contact HEMIC Accounting Department at (808) 524-3642 ext 460 or via e-mail at acctg_cs@hemic.com.

Employers Liability :

Bodily Injury By Accident	\$100,000	Each Accident
Bodily Injury By Disease	\$500,000	Policy Limit
Bodily Injury By Disease	\$100,000	Each Employee

Payment Plan

Description	% Invoiced	Amount
Premium Down Payment	34%	1,621
Total Due At Inception		\$1,621
3 Quarterly Installment(s) of \$1,048		

Underwriting
P. O. Box 3376, Honolulu, Hawaii 96801
Ph: (808) 52-HEMIC or Fax: (808) 522-5504
www.hemic.com
"Our Policy is Taking Care of Hawaii"

ugrcsthe.dot



HEMIC

*Hawai'i Employers' Mutual
Insurance Company, Inc.*

WC100-0018705-2009A

WORKERS' COMPENSATION INSURANCE INVOICE

Insured No.	Policy Premium	Invoice Type
18705	\$ 2,217	Ren Deposit

Invoice Date	Invoice Due Date
12/16/2008	1/3/2009

Payable by Due Date

Go on-line to pay your bill, view pay history, policies, claims and more. If you have a password established go to <https://websolutions.hemic.com/insureds> To receive your password, email your request to webpass@hemic.com

We appreciate your business. If you have any questions, please contact HEMIC Accounting Department at (808) 524-3642 ext 460 or via e-mail at acctg_cs@hemic.com.

Employers Liability :

Bodily Injury By Accident	\$100,000	Each Accident
Bodily Injury By Disease	\$500,000	Policy Limit
Bodily Injury By Disease	\$100,000	Each Employee

Payment Plan

Description	% Invoiced	Amount
Premium Down Payment	34%	753
Total Due At Inception		\$753

3 Quarterly Installment(s) of \$488

Underwriting
P. O. Box 3376, Honolulu, Hawaii 96801
Ph: (808) 52-HEMIC or Fax: (808) 522-5504
www.hemic.com
"Our Policy is Taking Care of Hawaii"

ugrcsthe.dot



Policy No	Insured No.	Unit	Product	Premium
WC100-0018705-2007A	18705	001	GCT1	\$ 3,160

Invoice No.	Type	Prorata	Inv. Date	Due Date
394631	PA	0.00	1/23/2008	2/12/2008

Hawaiian Beaches Water Co., Inc.
PO Box 22
Pahoa, HI 96778

To pay your invoice on-line, go to:
www.hemic.com
If you need your password, email your request to :
webpass@hemic.com

Current Invoice Calculation

Item Description	Policy to Date	Billed Previously	Current Amount
Premium	3,160.00	2,628.00	532.00

Current Invoice **532.00**

Amount Paid **0.00**

Invoice Balance **\$532.00**

*Invoice Balance – applies to this invoice only. Due date for this amount is above.

**Previous Balance – may include amounts from previous invoices. Please refer to these invoices for specific due dates. You may also find this information on-line at www.hemic.com.

Amount Due, This Policy **\$532.00**

We appreciate your business. If you have any questions, please call the HEMIC Accounting Department at (808) 524-3642 ext 460 or contact us by email at acctg_cs@hemic.com.

(808) 524-3642 ext. 431
(888) 292-3642 ext. 431

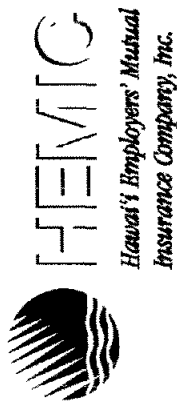
Enclosures

cc: Servco Insurance Services
Underwriting File

Premium Audit * P.O. Box 3376, Honolulu, Hawaii 96801 * Ph: (808) 52-HEMIC * Fax: (808) 522-5510
www.hemic.com

"Our Policy is Taking Care of Hawaii"

ATTACHMENT CA-IR-18a



Policy No	Insured No.	Unit	Product	Premium
WC100-0018705-2009A	18705	001	GCT1	\$ 2,217

Invoice No.	Type	Prorate	Inv. Date	Due Date
466863	Inst. 4	100.00	9/3/2009	10/3/2009

Hawaiian Beaches Water Co., Inc.
PO Box 22
Pahoa, HI 96778

To pay your invoice on-line, go to:
www.hemic.com
If you need your password, email your request to :
webpass@hemic.com

Current Invoice Calculation

Item Description	Policy to Date	Billed Previously	Current Amount
Premium	2,217.00	1,729.00	488.00

*Invoice Balance -- applies to this invoice only. Due date for this amount is above.

**Previous Balance -- may include amounts from previous invoices. Please refer to these invoices for specific due dates. You may also find this information on-line at www.hemic.com.

Current Invoice 488.00

Amount Paid 0.00

Invoice Balance \$488.00

Amount Due, This Policy \$488.00

We appreciate your business. If you have any questions, please call the HEMIC Accounting Department at (808) 524-3642 ext 460 or contact us by email at acctg_cs@hemic.com.

* AIG

Auto Insurance

Hawaiian Beaches Water Company, Inc.

Find Report

All Transactions

3:07 PM

10/02/09

Accrual Basis

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Bill Pmt -Check	2/24/2009	2093	AIG Hawaii Insuranc...		131.3 - Checking	X	231 - Accounts...	-2,904.00	-2,904.00
Bill Pmt -Check	3/27/2008	1560	AIG Hawaii Insuranc...		131.3 - Checking	X	231 - Accounts...	-758.00	-3,662.00
Bill Pmt -Check	3/12/2008	1525	AIG Hawaii Insuranc...		131.3 - Checking	X	231 - Accounts...	-22.00	-3,684.00
Bill Pmt -Check	2/20/2008	1490	AIG Hawaii Insuranc...		131.3 - Checking	X	231 - Accounts...	-2,169.00	-5,873.00
Total								-5,873.00	-5,873.00

IMPORTANT: Detach and return the notice above, along with your payment, in the envelope provided.
Please be sure to include your policy number on your check.



AIG HAWAII
INSURANCE COMPANY INC.
P.O. Box 2260
Honolulu, HI 96804-2260

PREMIUM STATEMENT

Policy Number	Policy Type	Due Date	Renewal Effective	Renewal Expiration
MBA3055533	Comm/ Auto	03/05/2007	03/04/2007	03/04/2008
Policyholder		Agent		
MILLER & LIEB WATER CO. INC. PO BOX 22 PAHOA, HI 96778		SERVCO INSURANCE SERVICES, INC PIONEER PLAZA, STE 800 900 FORT ST. MALL HONOLULU, HI 968133705		
Current Expiration	Previous Amt Due	Renewal Premium	Total Premium Now Due	
03/04/2007	\$ 0.00	\$3,020.00	\$760.00	

Dear Valued Customer:

This is the first payment due for the renewal term of your policy. The current policy term expires on the Expiration Date shown above. To continue your coverage, please send your payment before the Due Date shown above. If payment has been made, please disregard this notice.

Thank you for choosing our company to serve your insurance needs.

Payment Options:

Full Pay Plan: \$3,020.00

6 Pay Plan: \$760.00

A 5.00 service charge will be applied to each future installment payment.

Please send your payment so we receive it prior to the Due Date to assure continuous coverage.
Keep the bottom portion of this statement for your records.

IMPORTANT: Detach and return the notice above, along with your payment, in the envelope provided.
Please be sure to include your policy number on your check.



AIG HAWAII
INSURANCE COMPANY INC.
P.O. Box 2260
Honolulu, HI 96804-2260

PREMIUM STATEMENT

Policy Number	Policy Type	Due Date	Policy Effective	Policy Expiration
MBA3055533	Comm'l Auto	03/26/2008	03/04/2008	03/04/2009
Policyholder		Agent		
HAWAIIAN BEACHES WATER CO. INC & MILLER & LIEB WATER CO. INC. PO BOX 22 PAHOA, HI 96778		SERVCO INSURANCE SERVICES, INC TOPA FINANCIAL, STE 1400 700 BISHOP STREET HONOLULU, HI 96813-4123		

Dear Valued Customer:

After applying all payments to date, your policy reflects a balance due. Please send us your payment by the Due Date shown above. If payment has been made, please disregard this notice.

Thank you for choosing our company to serve your insurance needs.

Total Premium:	\$ 22.00
Amount Paid:	\$ 0.00
Total Now Due:	\$ 22.00

For Your Records
Check Number:
Check Date:
Check Amount:

Please send your payment so we receive it prior to the Due Date to assure continuous coverage.
Keep the bottom portion of this statement for your records.

IMPORTANT: Detach and return the notice above, along with your payment, in the envelope provided.
Please be sure to include your policy number on your check.



AIG HAWAII INSURANCE COMPANY INC.

P.O. Box 2260
Honolulu, HI 96804-2260

PREMIUM STATEMENT

Policy Number	Policy Type	Due Date	Renewal Effective	Renewal Expiration
MBA3055533	Comm'l Auto	03/04/2008	03/04/2008	03/04/2009
Policyholder		Agent		
HAWAIIAN BEACHES WATER CO. INC & MILLER & LIEB WATER CO. INC. PO BOX 22 PAHOA, HI 96778		SERVCO INSURANCE SERVICES, INC TOPA FINANCIAL, STE 1400 700 BISHOP STREET HONOLULU, HI 96813-4123		
Current Expiration	Previous Amt Due	Renewal Premium	Total Premium Now Due	
03/04/2008	\$ 0.00	\$2,189.00	\$875.60	

Dear Valued Customer:

This is the first payment due for the renewal term of your policy. The current policy term expires on the Expiration Date shown above. To continue your coverage, please send your payment before the Due Date shown above. If payment has been made, please disregard this notice.

Thank you for choosing our company to serve your insurance needs.

Payment Options:

Full Pay Plan: \$2,189.00

6 Pay Plan: \$875.60

A 5.00 service charge will be applied to each future installment payment.

Please send your payment so we receive it prior to the Due Date to assure continuous coverage.
Keep the bottom portion of this statement for your records.

IMPORTANT: Detach and return the notice above, along with your payment, in the envelope provided.
Please be sure to include your policy number on your check.



AIG HAWAII
INSURANCE COMPANY INC.
 P.O. Box 2260
 Honolulu, HI 96804-2260

PREMIUM STATEMENT

Policy Number	Policy Type	Due Date	Policy Effective	Policy Expiration
MBA3055533	Comm Auto	03/27/2008	03/04/2008	03/04/2009
Policyholder		Agent		

HAWAIIAN BEACHES WATER CO. INC
 & MILLER & LIEB WATER CO. INC.
 PO BOX 22
 PAHOA, HI 96778

SERVCO INSURANCE SERVICES, INC
 TOPA FINANCIAL, STE 1400
 700 BISHOP STREET
 HONOLULU, HI 96813-4123

Dear Valued Customer:

The recent change to your policy changed the premium due. The balance shown reflects this change. Please send us your payment by the Due Date shown above. If payment has been made, please disregard this notice.

Thank you for choosing our company to serve your insurance needs.

Change Amount:

\$758.00

Total Now Due:

\$758.00

Please send your payment so we receive it prior to the Due Date to assure continuous coverage.
 Keep the bottom portion of this statement for your records.

ID: LAGB04A1

03/07/2008 A9 Insured Copy

IMPORTANT: Detach and return the notice above, along with your payment, in the envelope provided.
Please be sure to include your policy number on your check.



AIG HAWAII
INSURANCE COMPANY INC.
P.O. Box 2260
Honolulu, HI 96804-2260

PREMIUM STATEMENT

Policy Number	Policy Type	Due Date	Renewal Effective	Renewal Expiration
MBA3055533	Comm Auto	03/04/2009	03/04/2009	03/04/2010
Policyholder		Agent		
HAWAIIAN BEACHES WATER CO. INC & MILLER & LIEB WATER CO. INC. PO BOX 22 PAHOA, HI 96778		SERVCO INSURANCE SERVICES, INC 700 BISHOP STREET TOPA FINANCIAL, STE 1400 HONOLULU, HI 96813-4123		
Current Expiration	Previous Amt Due	Renewal Premium	Total Premium Now Due	
03/04/2009	\$ 0.00	\$2,904.00	\$731.00	

Dear Valued Customer:

This is the first payment due for the renewal term of your policy. The current policy term expires on the Expiration Date shown above. To continue your coverage, please send your payment before the Due Date shown above. If payment has been made, please disregard this notice.

Thank you for choosing our company to serve your insurance needs.

Payment Options:

Full Pay Plan: \$2,904.00

6 Pay Plan: \$731.00

A 5.00 service charge will be applied to each future installment payment.

Please send your payment so we receive it prior to the Due Date to assure continuous coverage.
Keep the bottom portion of this statement for your records.

ID: LAGB04A1

02/03/2009 A7 Insured Copy

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 460 Kilauea Ave. #102
 Hilo, HI 96720
 Tel (808) 935-2937
 Fax (808) 935-6312

Kahului Office
 360 Hooehana St. #105A
 Kahului, HI 96732
 Tel (808) 877-6053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	09/04/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #474256
PAYMENT FOR:	EP288848

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
474256	09/02/2009	Renew policy	Policy #EP288848 09/02/2009-09/02/2010 Market American Insurance Co Employer's Prac Liab Ins - Renew policy PREMIUM FINANCED. THANK YOU FOR YOUR RENEWAL BUSINESS! POLICY TO FOLLOW SHORTLY.	1,987.00
PLEASE PAY UPON RECEIPT				
				TOTAL 1,987.00
				Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
 09/04/2009

SERVCO INSURANCE SERVICES

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 Kahului, HI 96732
 Tel (808) 877-6053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	01/27/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #443562
PAYMENT FOR:	NC861242

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #NC861242 01/22/2009-01/22/2010	
			Nautilus Insurance Co	
443562	01/22/2009	Renew policy	General Liability - Renew policy	9,251.00
			Brokerage Fee	100.00
			Brokerage Surplus Ln Tax	432.95
			THIS PREMIUM TO BE FINANCED. THANK	
			YOU FOR YOUR RENEWAL BUSINESS!	
			POLICY TO FOLLOW SHORTLY.	
			CERTIFICATE COPIES ATTACHED.	
PLEASE PAY UPON RECEIPT				
				TOTAL
				9,783.95

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
 01/27/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

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Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	01/29/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #443092
PAYMENT FOR	EIL101005231-00

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #EIL101005231-00	
			01/22/2009-01/22/2010	
			Endurance American Specialty	
443092	01/22/2009	New business	General Liability - New business	4,539.00
			Brokerage Fee	300.00
			HI Surplus Lines Tax	212.43
			Thank you for your order for this new Pollution Liability policy. The premium is included in the AICCO premium finance agreement you recently submitted.	
PLEASE PAY UPON RECEIPT				
				TOTAL
				5,051.43

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
 01/29/2009

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 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	05/29/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #460838
PAYMENT DATE	05/29/2009

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
460838	05/29/2009	New business	Policy #FBP0451298-00 05/29/2009-05/29/2010 Hartford Steam Boiler Ins Co Boiler & Machinery - New business New Equipment Breakdown Policy effective 5/29/09. Mahalo.	1,758.00
				TOTAL
				1,758.00
PLEASE PAY UPON RECEIPT				
Servco Insurance Services Corp. (808)540-3333				DATE 05/29/2009

Thank You

SERVCO INSURANCE SERVICES

A Servco Pacific Company

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Hilo Office	Kahului Office
460 Kilauea Ave. #102	360 Hoochana St. #105A
Hilo, HI 96720	Kahului, HI 96732
Tel (808) 935-2937	Tel (808) 877-5053
Fax (808) 935-6312	Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	07/31/2009
CLIENT SERVICE	House - Clark/Hilo
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #465459
PAYMENT FOR	FBP0451298-00

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #FBP0451298-00	
			05/29/2009-05/29/2010	
465459	06/19/2009	New business	Hartford Steam Boiler Ins Co	
			Boiler & Machinery - Increase Ext Expense	76.61
			Coverage	
			ADDL PREM DUE TO INCREASE IN EXTRA	
			EXPENSE COV	
PLEASE PAY UPON RECEIPT				
				TOTAL
				76.61
				Thank You
Servco Insurance Services Corp.				DATE
(808)540-3333				07/31/2009

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Kahului, HI 96732
Tel (808) 877-5053
Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.	20398
DATE	10/30/2008	
CLIENT	House - Clark/Hilo	
SERVICE		
PAGE	1 of 1	

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #431974
PAYMENT FOR:	
MXI-98129329	

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co., Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MX1-98129329	
			11/05/2007-05/08/2009	
			Fireman's Fund McGee Marine	
431974	08/05/2008	New business	Installation/Builder Risk - (C)exp	345.00
			extended to 10/5/	
			ADDL PREM PER END#001: EXP DATE	
			AMENDED TO 10/05/2008	
PLEASE PAY UPON RECEIPT				
				TOTAL
				345.00

Thank You

Service Insurance Services Corp.
(808)540-3333

DATE
20/07/2006

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 - Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 480 Kilauea Ave. #102
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 Tel (808) 935-2937
 Fax (808) 935-6312

Kahului Office
 380 Hoonanea St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	11/26/2008
CLIENT SERVICE	House - Clark/Hilo
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #432124
PAYMENT FOR:	MX1-98129329

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
432124	10/05/2008	New business	Policy #MX1-98129329 11/05/2007-05/08/2009 Fireman's Fund McGee Marine Installation/Builder Risk - (C)exp extended to 12/5/ ADDL PREM: EXP DATE EXTENDED TO 12/5/08	345.00
PLEASE PAY UPON RECEIPT				
				TOTAL
				345.00
Servco Insurance Services Corp. (808)540-3333				DATE 11/26/2008

Thank You

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

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 Fax (808) 935-6312

Kahului Office
 360 Hoonana St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
 P. O. Box 22
 Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	12/23/2008
CLIENT SERVICE	House - Clark/Hilo
PAGE	1 of 1

PAYMENT INFORMATION	
INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #439584
PAYMENT FOR:	MXI-98129329

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MXI-98129329	
			11/05/2007-05/08/2009	
439584	12/05/2008	New business	Fireman's Fund McGee Marine	
			Installation/Builder Risk - Extend to	345.00
			2/5/09 expirat	
			Extending Builders Risk policy to new	
			expiration date of 2/5/2009.	
PLEASE PAY UPON RECEIPT				
				TOTAL
				345.00

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
 12/23/2008

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 460 Kilauea Ave. #102
 Hilo, HI 96720
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 360 Hooehana St. #105A
 Kahului, HI 96732
 Tel (808) 877-6053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
 P. O. Box 22
 Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	01/29/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

20398

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #444181
PAYMENT FOR:	MX1-98129329

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MX1-98129329	
			11/05/2007-05/08/2009	
444181	02/05/2009	New business	Fireman's Fund McGee Marine Installation/Builder Risk - Extend to 4/5/09	345.00
			ADDL PREM: EXP DATE EXTENDED TO 4/05/2009	
PLEASE PAY UPON RECEIPT				
				TOTAL 345.00
				Thank You
Servco Insurance Services Corp.				DATE
(808)540-3333				01/29/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
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 Hilo, HI 96720
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 Fax (808) 935-6312

Kahului Office
 380 Hooehana St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	04/07/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #453280
PAYMENT FOR:	MXI-98129329

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MXI-98129329	
			11/05/2007-05/08/2009	
453280	04/05/2009	New business	Fireman's Fund McGee Marine	
			Installation/Builder Risk - Extend to	96.00
			4/22/09 expira	
			ADDL PREM: EXP DATE EXTENDED TO	
			4/22/2009	
PLEASE PAY UPON RECEIPT				
				TOTAL
				96.00
				Thank You
Servco Insurance Services Corp.				DATE
(808)540-3333				04/07/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office	Kahului Office
460 Kilauea Ave. #102	360 Hooehana St. #105A
Hilo, HI 96720	Kahului, HI 96732
Tel (808) 935-2937	Tel (808) 877-5053
Fax (808) 935-6312	Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	05/05/2009
CLIENT SERVICE	House - Clark/Hilo
PAGE	1 of 1

PAYMENT INFORMATION	
INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #457536
PAYMENT FOR:	MX1-98129329

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MX1-98129329	
			11/05/2007-05/08/2009	
457536	04/22/2009	New business	Fireman's Fund McGee Marine	
			Installation/Builder Risk - Extend to	48.00
			5/8/09	
			ADDL PREM: EXP DATE EXTENDED TO	
			5/08/2009	
PLEASE PAY UPON RECEIPT				
				TOTAL
				48.00

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
05/05/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 460 Kilauea Ave. #102
 Hilo, HI 96720
 Tel (808) 935-2937
 Fax (808) 935-6312

Kahului Office
 360 Hooehana St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	11/26/2008
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #432125
PAYMENT FOR:	MX198128375

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
432125	10/03/2008	Renew policy	Policy #MX198128375 10/03/2008-10/03/2009 Fireman's Fund McGee Marine Commercial Property - Renew policy THANK YOU FOR YOUR RENEWAL BUSINESS! POLICY TO FOLLOW SHORTLY.	2,934.00
				TOTAL
				2,934.00
PLEASE PAY UPON RECEIPT				
Servco Insurance Services Corp. (808)540-3333				DATE 11/26/2008

Thank You

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office	Kahului Office
480 Kilauea Ave. #102	360 Hoohana St. #105A
Hilo, HI 96720	Kahului, HI 96732
Tel (808) 935-2937	Tel (808) 877-5053
Fax (808) 935-6312	Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	01/12/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #441102
PAYMENTS FOR:	MX198128375

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
441102	10/03/2007	Renew policy	Policy #MX198128375 10/03/2007-10/03/2008 Fireman's Fund McGee Marine Inland Marine - E#5 (A) EDP coverage & form	79.00
PLEASE PAY UPON RECEIPT				
				TOTAL 79.00

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
01/12/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office	Kahului Office
460 Kilauea Ave. #102	360 Hoohana St. #105A
Hilo, HI 96720	Kahului, HI 96732
Tel (808) 935-2937	Tel (808) 877-5953
Fax (808) 935-6312	Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	02/18/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	invoice #446020
PAYMENT FOR:	MX198128375

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
446020	10/03/2008	Renew policy	Policy #MX198128375 10/03/2008-10/03/2009 Fireman's Fund McGee Marine Commercial Property - (C)Renewal Premium AMENDED RENEWAL PREMIUM. REFUND OF \$-105 TO FOLLOW SHORTLY.	2,829.00
PLEASE PAY UPON RECEIPT				
				TOTAL 2,829.00

Thank You

Servco Insurance Services Corp.
(808)540-3333

DATE
02/18/2009

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 460 Kilauea Ave. #102
 Hilo, HI 96720
 Tel (808) 935-2937
 Fax (808) 935-8312

Kahului Office
 360 Hoohana St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
 P. O. Box 22
 Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	06/29/2009
CLIENT SERVICE	House - Clark/Hilo
PAGE	1 of 1

PAYMENT INFORMATION	
INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #485255
PAYMENT FOR:	MX198128375

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
465255	06/19/2009	Renew policy	Policy #MX198128375 10/03/2008-10/03/2009 Fireman's Fund McGee Marine Commercial Property - (A) Business Income Estimated additional premium, adding \$372,000 business income coverage effective 6/19/09	378.00
PLEASE PAY UPON RECEIPT				
				TOTAL 378.00
Servco Insurance Services Corp. (808)540-3333				DATE 06/29/2009

Thank You

SERVCO INSURANCE SERVICES

A Servco Pacific Company

700 Bishop Street, Suite 1400 • Honolulu, HI 96813-4123 • Tel (808) 540-3333 • Fax (808) 540-3334

Hilo Office
 460 Kilauea Ave. #102
 Hilo, HI 96720
 Tel (808) 935-2937
 Fax (808) 935-6312

Kahului Office
 360 Hooehana St. #105A
 Kahului, HI 96732
 Tel (808) 877-5053
 Fax (808) 877-7104

Hawaiian Beaches Water Co. Inc.
P. O. Box 22
Pahoa, HI 96778

INVOICE

CLIENT	Hawaiian Beaches Water Co. Inc.
DATE	09/04/2009
CLIENT	House - Clark/Hilo
SERVICE	
PAGE	1 of 1

PAYMENT INFORMATION

INVOICE SUMMARY	
PAYMENT AMOUNT	Invoice #474260
PAYMENT FOR:	MX1-03010436

Please make checks payable to "SERVCO INSURANCE SERVICES"

Thank You

PLEASE DETACH AND RETURN WITH PAYMENT

Client: Hawaiian Beaches Water Co. Inc.

INVOICE	EFFECTIVE	TRANSACTION	DESCRIPTION	AMOUNT
			Policy #MX1-03010436	
			10/03/2009-10/03/2010	
474260	10/03/2009	Renew policy	Fireman's Fund McGee Marine Inland Marine - Renew policy	5,534.00
			PREMIUM FINANCED. THANK YOU FOR YOUR RENEWAL BUSINESS! POLICY TO FOLLOW SHORTLY.	
				TOTAL
				5,534.00
<p>***PLEASE PAY UPON RECEIPT***</p>				
				Thank You
Servco Insurance Services Corp. (808)540-3333				DATE 09/04/2009

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-19

Ref: Legal & Professional.

- a. Please describe the legal costs incurred in 2007 and 2008 by identifying the purpose for the service provided and the costs associated with each purpose.

RESPONSE:

Legal costs in 2007 and 2008 were related to general corporate and regulatory matters.

- b. Please provide the legal costs incurred in 2009 to-date. Please provide the invoices to support these costs.

RESPONSE:

Non-rate case related legal expenses in 2009 total \$292, which is broken down as \$117 for a tariff matter and \$175 for a contract matter. See Attachment CA-IR-19b for copies of the non-rate case applicable invoices.

SPONSOR:

Robert O'Brien

ATTACHMENT
CA-IR-19b

MORIHARA LAU & FONG LLP

A Limited Liability Law Partnership

DAVIES PACIFIC CENTER
841 BISHOP STREET, SUITE 400
HONOLULU, HAWAII 96813FED ID NO
56-2503264TELEPHONE: (808) 526-2888
FACSIMILE: (808) 566-0800
WEB: www.moriharagroup.com**INVOICE
SUMMARY**Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, HI 96778

March 16, 2009

File #: 1361-001

Attention: Ms. Kate Prescott

Inv #: 5331

FOR LEGAL SERVICES RENDERED AND COSTS INCURRED THROUGH:**February 28, 2009**

File #: 1361-001

RE: Hawaiian Beaches Water Co. - General

TOTAL LEGAL SERVICES	\$112.00
TOTAL COSTS ADVANCED	\$0.00
<hr/>	
SUB-TOTAL	\$112.00
4.16% State Tax	\$4.66
<hr/>	
INVOICE TOTAL	\$116.66
<hr/>	

Terms: PAYABLE UPON RECEIPT. Please return one copy with remittance. This invoice may not include some expenses (telephone, photocopying, depositions, etc.) for which we have not yet been billed.

MORIHARA LAU & FONG LLP
A Limited Liability Law Partnership

FED. ID NO
58-2503264

DAVIES PACIFIC CENTER
841 BISHOP STREET, SUITE 400
HONOLULU, HAWAII 96813

TELEPHONE: (808) 526-2888
FACSIMILE: (808) 566-0800
WEB: www.moriharagroup.com

INVOICE

Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, HI 96778

March 16, 2009

Attention: Ms. Kate Prescott

File #: 1361-001

Inv #: 5331

FOR LEGAL SERVICES RENDERED AND COSTS INCURRED THROUGH: **February 28, 2009**

File #: 1361-001

RE: Hawaiian Beaches Water Co. - General

DATE	HOURS	ATTY	DESCRIPTION
------	-------	------	-------------

Feb-26-09	0.40	MHL	TELEPHONE CALL FROM K. PRESCOTT REGARDING STATUS UPDATE OF RATE FILING, AND ISSUES TO ADDRESS IN 30-DAY TARIFF FILING CONCERNING CUSTOMER DEPOSITS, TERMINATION OF SERVICE, AND OTHER MEASURES TO ADDRESS NON-PAYMENT BY CUSTOMERS.
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LEGAL SERVICES \$112.00

Fee Summary:

Lawyer/Others	Rate	Hours	Amount
Michael H. Lau, Esq.	\$280.00	0.40	\$112.00
		<hr/>	
		0.40	\$112.00

SUB-TOTAL **\$112.00**

4.16% State Tax **\$4.66**

INVOICE TOTAL **\$116.66**

Inv #: 5331

Page 2

March 16, 2009

MORIHARA LAU & FONG LLP**A Limited Liability Law Partnership**FED ID NO
56-2503264DAVIES PACIFIC CENTER
841 BISHOP STREET, SUITE 400
HONOLULU, HAWAII 96813TELEPHONE: (808) 526-2888
FACSIMILE: (808) 566-0800
WEB: www.moriharagroup.com**INVOICE
SUMMARY**Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, HI 96778

April 15, 2009

File #: 1361-001

Attention: Ms. Kate Prescott

Inv #: 5425

FOR LEGAL SERVICES RENDERED AND COSTS INCURRED THROUGH:**March 31, 2009**

File #: 1361-001

RE: Hawaiian Beaches Water Co. - General

TOTAL LEGAL SERVICES	\$168.00
TOTAL COSTS ADVANCED	\$0.00
<hr/>	
SUB-TOTAL	\$168.00
4.16% State Tax	\$6.99
<hr/>	
INVOICE TOTAL	\$174.99
<hr/>	

Terms: PAYABLE UPON RECEIPT. Please return one copy with remittance. This invoice may not include some expenses (telephone, photocopying, depositions, etc.) for which we have not yet been billed.

MORIHARA LAU & FONG LLP
A Limited Liability Law Partnership

FED ID NO
55-2503264

DAVIES PACIFIC CENTER
841 BISHOP STREET, SUITE 400
HONOLULU, HAWAII 96813

TELEPHONE: (808) 526-2888
FACSIMILE: (808) 566-0800
WEB: www.moriharagroup.com

INVOICE

Hawaiian Beaches Water Company
P.O. Box 22
Pahoa, HI 96778

April 15, 2009

Attention: Ms. Kate Prescott

File #: 1361-001

Inv #: 5425

FOR LEGAL SERVICES RENDERED AND COSTS INCURRED THROUGH: March 31, 2009

File #: 1361-001

RE: Hawaiian Beaches Water Co. - General

DATE	HOURS	ATTY	DESCRIPTION
------	-------	------	-------------

Mar-18-09	0.60	MHL	TELEPHONE CALL FROM K. PRESCOTT AND R. O'BRIEN TO DISCUSS THE ISSUES RELATED TO DELAYS IN COMPLETING WELL AND TANK IMPROVEMENTS, POSSIBLE SCOPE OF DAMAGES, AND POSSIBLE RECOURSE ACTIONS.
-----------	------	-----	--

LEGAL SERVICES \$168.00

Fee Summary:

Lawyer/Others	Rate	Hours	Amount
Michael H. Lau, Esq.	\$280.00	0.60	\$168.00
		0.60	\$168.00

SUB-TOTAL **\$168.00**

4.16% State Tax **\$6.99**

INVOICE TOTAL **\$174.99**

Inv #: 5425

Page 2

April 15, 2009

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-20

Ref: Salaries & Wages.

In Exhibit HBWC-T-100, page 27, Mr. O'Brien states that the test year salaries & wages includes a three percent wage increase on July 1, 2009 and a three percent wage increase on January 1, 2010. Please discuss why the Company believes that such wage increases are reasonable in the current economic times.

RESPONSE:

The employees have not had an increase in wages since before Docket No. 2006-0442 was filed, a period of approximately 4 years. Management believed that the high level of performance of all employees during this time of significant changes in the Company's operations warranted some small recognition in compensation. The Company believes that the three percent increases are reasonable.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

**CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER**

CA-IR-21

Ref: Salaries & Wages.

In Docket No. 2006-0442, the Company had five employees (two full-time and three part-time). In response to CA-IR-19 filed in Docket No. 2006-0442, the Company planned to convert one of the part-time positions to a full-time position and hire two additional part-time positions, which would result in three full-time and four part-time positions.

a. In the instant proceeding, it appears that the Company retains [REDACTED] positions.

1. Please discuss the factors considered by the Company to retain [REDACTED] positions instead of the three full-time and four part-time positions as represented in Docket No. 2006-0442.

RESPONSE:

The Prescotts had just assumed management control over the operations of the water company during that proceeding, and were working with existing employees as well as ramping up to work on installation of meters and making repairs to the water system. At that time, it was prudent to have some full-time and some part-time personnel. In the three years since that case, the Company's operations have

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-21 (cont.)

become more stable and more geared to routine operations and activities. The Company believes it is in the best long-term interest of the Company and its customers to have the existing complement of employees who are capable of providing normal service, weekend and holiday monitoring and emergency services for the customers.

- b. Please describe the specific work activities performed by all the employees identified on Confidential Workpaper HBWC 10.1.

RESPONSE:

See Confidential Attachment CA-IR-21b, filed under and subject to Protective Order issued in this docket on August 13, 2009, for job descriptions for each employee.

- c. Please provide the actual hours recorded for each of the hourly employees identified on Confidential Workpaper HBWC 10.1 for the years 2006 to 2009 to-date.

RESPONSE:

See Confidential Attachment CA-IR-21c, filed under and subject to Protective Order issued in this docket on August 13, 2009, for the hours for that period.

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-21 (cont.)

- d. Please provide the actual costs incurred for overtime for the years 2006 to 2009 to-date. Please provide the documentation used to support the actual costs.

RESPONSE: See Confidential Attachment CA-IR-21d, filed under and subject to Protective Order issued in this docket on August 13, 2009, for the overtime and call out hours for that period.

SPONSOR: Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

**CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER**

CA-IR-22

Ref: Salaries & Wages.

- a. Please provide the calculations and/or workpapers used to calculate the ■% factor for the "Charged to Construction".

RESPONSE:

There are no workpapers for the estimated amount of payroll charged to construction for the Test Year 2010. The Company estimated that 15 percent of the field workers' time would be capitalized because there would be a substantial decrease in the construction activities with the meter installation program completed and the well and storage tank operational. The projects to be capitalized will most likely relate to the replacement of prior years' meter installations and work on new customer additions. The time capitalized in the past will be directed to meter reading, system maintenance and other field operation activities.

- b. Please provide the actual percentage "Charged to Construction" for the years 2006 through 2009 to-date.

RESPONSE:

The Company is still compiling the requested information for years 2007 through 2009 to-date and will provide that information on Monday, October 12, 2009.

SPONSOR:

Robert O'Brien

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS
(SUPPLEMENTAL)**

DOCKET NO. 2009-0161

**CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER**

CA-IR-22 Ref: Salaries & Wages.

- a. Please provide the calculations and/or workpapers used to calculate the ■% factor for the "Charged to Construction".

RESPONSE:

There are no workpapers for the estimated amount of payroll charged to construction for the Test Year 2010. The Company estimated that 15 percent of the field workers' time would be capitalized because there would be a substantial decrease in the construction activities with the meter installation program completed and the well and storage tank operational. The projects to be capitalized will most likely relate to the replacement of prior years' meter installations and work on new customer additions. The time capitalized in the past will be directed to meter reading, system maintenance and other field operation activities.

- b. Please provide the actual percentage "Charged to Construction" for the years 2006 through 2009 to-date.

**SUPPLEMENTAL
RESPONSE:**

See Attachment CA-IR-22b.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-22b

HBWC

ATTACHMENT CA-IR-22b

Payroll Capitalized

[1]

[2]

[3]

[4]

[5]

Nine Months Ended December 31, 2007

1	Total Payroll	\$	149,912		
2	Administrative Payroll		(76,754)		
3	Field Payroll			\$	73,158
4	Capitalized Payroll			\$	10,798
5	Percent Capitalized				14.76%

Year Ended December 31, 2008

1	Total Payroll	\$	207,640		
2	Administrative Payroll		(94,339)		
3	Field Payroll			\$	113,301
4	Capitalized Payroll			\$	46,915
5	Percent Capitalized				41.41%

Nine Months Ended September 30, 2009

1	Total Payroll	\$	163,387		
2	Administrative Payroll		(73,162)		
3	Field Payroll			\$	90,225
4	Capitalized Payroll			\$	3,364
5	Percent Capitalized				3.73%

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

**CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER**

CA-IR-23

Ref: Salaries & Wages.

- a. Please provide the hourly rate for [REDACTED] for the years 2006 to 2009 to-date.

RESPONSE:

[REDACTED] started with the company in the later part of April 2008. His starting wage was [REDACTED] per hour based on education and experience. On [REDACTED], his pay rate went to [REDACTED] per hour after he became certified by the DOH as a Grade 1 Water Distribution Systems Operator.

- b. To the extent not discussed in another response, please identify the type of certification referenced in note [c] of Confidential Workpaper HBWC 10.1.

RESPONSE:

The certification referenced in Workpaper HBWC 10.1 is State of Hawaii Department of Health (DOH) Water Distribution Systems Operator. The DOH requires that the company have certified operators working on the water system to maintain safe and reliable drinking water. It is imperative that there are employees with these certifications so the company operates according to regulations. The Hawaiian Beaches Water System is identified by the DOH as a Grade 2 system, which requires that the individuals

**HAWAIIAN BEACHES WATER COMPANY, INC.'S RESPONSES TO
THE DIVISION OF CONSUMER ADVOCACY'S
FIRST SUBMISSION OF INFORMATION REQUESTS**

DOCKET NO. 2009-0161

CA-IR-23 (cont.)

responsible for the operation of the water system have the required certification. Richard is currently working with Kate Prescott and Mark Prescott to get Grade 2 certified by April 2010. Kate Prescott currently has a Grade 2 certification, while Mark Prescott currently holds Grade 3 certification.

SPONSOR: Robert O'Brien

CERTIFICATE OF SERVICE

I hereby certify that on this date, copies of the foregoing document were duly served on the following party, by having said copies delivered as set forth below:

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS	3 COPIES
DIVISION OF CONSUMER ADVOCACY	HAND DELIVER
335 Merchant Street	
Room 326	
Honolulu, Hawai'i 96813	

DATED: Honolulu, Hawaii, October 16, 2009.



MICHAEL H. LAU
KRIS N. NAKAGAWA
SANDRA L. WILHIDE

Morihara Lau & Fong LLP
Attorneys for HAWAIIAN BEACHES WATER
COMPANY, INC.